

## Exhibit C

### Net56 SERVICE OFFERING

#### Section 1

#### SERVICES

- a) Net56's minimum support service requirements are:
- a. Maintain operation and repair of all customer co-located equipment. Net56 will replace any failed hardware that is under manufactures warranty. Any cost of defective equipment outside manufactures warranty will be the responsibility of the Customer.
  - b. Service patch all Operating System's with the latest release.
  - c. Service patch all security notices.
  - d. Maintain and support all connection to listed equipment in Section 2 at Customers premises. Any equipment beyond or additional is subject to Time and Material.
  - e. Aid customer with phone support of standard Microsoft applications running on co-located equipment.
  - f. Maintain an adequate backup hard drives of co-located equipment.
  - g. Monitor 7x24 of co-location equipment.
  - h. Provide anti-virus services on co-located equipment.
  - i. Provide an environmental controlled atmosphere for co-located equipment.
  - j. Provide generated backup power source for co-located equipment.
  - k. Maintain Firewalls for Customers gateway.
  - l. Maintain and advises Customer of IP routing technology of Customers gateway.
- b) What is outside this support agreement and not included, and will be subject to Time and Material:
- a. Support of customers employees directly. A single point of contact at Customers Helpdesk will be the method of support.
  - b. Any equipment not listed within this agreement.
  - c. Any third party access to such equipment via public networks, such as the Internet).

#### Section 2

#### TERMS & CONDITIONS

- a) **MICROSOFT LICENSING:** Microsoft Licensing fees as stated in the contract are subject to change as Microsoft does not guarantee that the final per-unit pricing will not change from year to year.
- b) **CONSUMER PRICE INDEX:** The monthly fee as outline will escalate annually, changing the monthly payment by the percent change in the level of the CPI, (as set by the Bureau of Labor Statistics) not to exceed 5.5%, on the anniversary of the Start Date throughout the term of the contract. CPI is calculated by first determining the index point change between the two periods and then the percent change. The CPI index series that will be used to escalate the monthly payment is the CPI-U population coverage for Chicago area coverage: CUURA207SA0, series title all items, and index base period 1982-1984=100.
- c) **E-RATE ELIGIBLE or E-RATE INELIGIBLE:** The identification of certain services in this Agreement as "E-Rate Eligible" or "E-Rate Ineligible" for Universal Service ("E-rate") funding is not dispositive, nor does it suggest that this or any other services in this agreement will be deemed eligible for such funding. Any conclusions regarding the eligibility of services and discount rates for E-rate funding rests with the SLD and/or FCC as administrators of the E-Rate program. Net56 is not responsible for the outcome of these conclusions.

**Exhibit D**

**Millennium Leasing & Financial Services, Inc.**

**Funding Documentation**

# MASTER STATE AND LOCAL GOVERNMENT LEASE - PURCHASE AGREEMENT

MASTER LEASE NUMBER

10600

## LESSEE INFORMATION

LESSEE FULL LEGAL NAME <b>Zion Elementary School District 6</b>			
TRADE NAME (IF ANY)			
FEDERAL TAX ID <b>36-6004832</b>		CONTACT PERSON & TITLE <b>Donald Robinson / Assistant Superintendent</b>	
PRIMARY ADDRESS (NUMBER AND STREET) <b>2200 Bethesda Boulevard</b>			
CITY <b>Zion</b>	COUNTY <b>Lake</b>	STATE <b>IL</b>	ZIP CODE <b>60099</b>
TELEPHONE NUMBER <b>847-366-2891</b>		FACSIMILE NUMBER <b>847-746-4173</b>	

MILLENNIUM LEASING &  
FINANCIAL SERVICES, INC.  
1901 Butterfield Road; Suite 640  
Downers Grove, IL 60515  
Ph: 630-810-4840

## TERMS AND CONDITIONS

- MASTER LEASE; LEASING SCHEDULES.** Subject to the terms of this Master Lease, you agree to lease from us the Equipment described in any Schedule now or hereafter attached hereto and made a part hereof ("Schedule"). You agree to be bound by all the terms of this Master Lease. We and you may enter into any number of separate and distinct leasing Schedules, each of which shall constitute a separate lease for Equipment, but all of which shall incorporate and be subject to the terms, conditions and provisions of this Master Lease. The term "Master Lease" shall include each and every Schedule entered hereunder from time to time.
- DELIVERY AND ACCEPTANCE OF EQUIPMENT.** Acceptance of the Equipment occurs upon delivery, inspection and approval by Lessee, such approval not to be unreasonably withheld or delayed. When you receive the Equipment, you agree to inspect it and to verify by telephone or in writing such information as we may require. Delivery and installation costs are your responsibility. If you signed a purchase contract for the Equipment, by signing the applicable Schedule, you assign your rights, but none of your obligations under the purchase contract, to us.
- RENT.** You agree to pay us Rent (plus applicable taxes) in the amount and frequency stated in each Schedule. If your Rent payments are due in Advance, your first Rent payment is due on the date you accept the Equipment under the Schedule. We will advise you as to (a) the due date of each Rent payment, and (b) the address to which you must send your payments. Rent is due whether or not you receive an invoice from us. You will pay us any required Advance Rent or Security Deposit when you sign the Schedule. Security Deposits or Advance Rents may be commingled and do not earn interest. Provided you are not in default, we may apply your Security Deposit to the last Rent payment or we may refund the Security Deposit to you when the Schedule Term expires. If we collect more than one payment as Advance Rent, we may apply such Advance Rent to the last Rent payment. Restrictive endorsements on checks you send to us will not reduce your obligations to us. Unless a proper exemption certificate is provided, applicable sales and use taxes will be added to the Rent.
- NON-APPROPRIATION OF FUNDS.** You intend to remit all Rent and other payments to us for the full Schedule Term if funds are legally available. In the event you are not granted an appropriation of funds at any time during the Schedule Term for the Equipment or for equipment which is functionally similar to the Equipment and operating funds are not otherwise available to you to pay the Rent and other payments due and to become due under this Master Lease, and there is no other legal procedure or available funds by or with which payment can be made to us, and the non-appropriation did not result from an act or omission by you, you shall have the right to return the Equipment under each Schedule in accordance with Section 16 of this Master Lease and terminate this Master Lease on the last day of the fiscal period for which appropriations were received without penalty or expense to you, except as to the portion of Rent for which funds shall have been appropriated and budgeted. At least thirty (30) days prior to the end of your fiscal year, your chief executive officer (or legal counsel) shall certify in writing that (a) funds have not been appropriated for the upcoming fiscal period, (b) such non-appropriation did not result from any act or failure to act by you, and (c) you have exhausted all funds legally available for the payment of Rent. If you terminate this Master Lease because of non-appropriation of funds, you may not purchase, lease or rent, equipment performing functions similar to those performed by the Equipment for a period of twelve (12) months as measured from the effective date of such termination. This Section 3 shall not permit you to terminate this Master Lease in order to acquire any other Equipment or to allocate funds directly or indirectly to perform essentially the application for which the Equipment is intended.
- UNCONDITIONAL OBLIGATION.** YOU AGREE THAT, SUBJECT TO AN NON-APPROPRIATION OF FUNDS EVENT, YOU ARE UNCONDITIONALLY OBLIGATED TO PAY ALL RENT AND ANY OTHER AMOUNTS DUE UNDER EACH SCHEDULE FOR THE FULL SCHEDULE TERM EVEN IF THE EQUIPMENT IS DAMAGED OR DESTROYED, IF IT IS DEFECTIVE OR IF YOU HAVE TEMPORARY OR PERMANENT LOSS OF ITS USE. YOU ARE NOT ENTITLED TO REDUCE OR SET-OFF AGAINST RENT OR OTHER AMOUNTS DUE UNDER THE SCHEDULE FOR ANY REASON WHATSOEVER.
- DISCLAIMER OF WARRANTIES.** THE EQUIPMENT IS BEING LEASED TO YOU IN AS-IS CONDITION. ANY CHANGE TO THIS MASTER LEASE MUST BE MUTUALLY AGREED TO IN WRITING. YOU AGREE THAT WE HAVE NOT MANUFACTURED THE EQUIPMENT AND THAT YOU HAVE SELECTED THE EQUIPMENT BASED UPON YOUR OWN JUDGMENT. YOU HAVE NOT RELIED ON ANY STATEMENTS WE OR OUR EMPLOYEES HAVE MADE. WE HAVE NOT MADE AND DO NOT MAKE ANY EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES WHATSOEVER, INCLUDING WITHOUT LIMITATION, THE EQUIPMENT'S MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, SUITABILITY, DESIGN, CONDITION, DURABILITY, OPERATION, QUALITY OF MATERIALS OR WORKMANSHIP, OR COMPLIANCE WITH SPECIFICATIONS OR APPLICABLE LAW. You are aware of the name of the Equipment manufacturer and you will contact the manufacturer for a description of your warranty rights. If the manufacturer has provided us with a warranty, we assign our rights to such warranty to you and you may enforce all warranty rights directly against the manufacturer of the Equipment. You agree to settle any dispute you may have regarding performance of the Equipment directly with the manufacturer of the Equipment.
- TITLE AND SECURITY INTEREST.** Unless otherwise required by the laws of the state where you are located, you shall have title to the Equipment immediately upon delivery and shall be deemed to be the owner of the Equipment as long as you are not in default under this Master Lease. In the event of a default under this Master Lease, title to the Equipment under each Schedule shall revert to us free and clear of any rights or interests you may have in the Equipment. To secure all of your obligations to us under this Master Lease you hereby grant us a security interest in (a) the Equipment to the extent of your interests in the Equipment, (b) anything attached or added to the Equipment at any time, (c) any money or property from the sale of the Equipment, and (d) any money from an insurance claim if the Equipment is lost or damaged. You agree that the security interest will not be affected if this Master Lease is changed in any way. You hereby appoint us (or our agent) as your true and lawful attorney-in-fact, for the exclusive limited purpose, to affix your signature to UCC financing statements prepared and filed on your behalf by us (or our agent) with the same force and effect as if you had signed such financing statements. If we request, you agree to sign financing statements in order for us to publicly record our security interest. This Master Lease or a copy of this Master Lease shall be sufficient as a financing statement and may be filed as such.
- USE, MAINTENANCE AND REPAIR.** You will not move the Equipment from the Equipment Location without our advance written consent. You will give us reasonable access to the each Equipment Location so that we can check the Equipment's existence, condition and proper maintenance. You will use the Equipment in the manner for which it was intended, as required by all applicable manuals and instructions and keep it eligible for any manufacturer's certification and/or standard, full service maintenance contract. At your own cost and expense, you will keep the Equipment in good repair, condition and working order, ordinary wear and tear excepted. Provided (a) you do not terminate any Schedule because of a non-appropriation pursuant to Section 3, (b) you are not in default, and (c) you exercise your purchase option pursuant to Section 15, all replacement parts and repairs will become our property. You will not make any permanent alterations to the Equipment.
- TAXES.** You agree that you will pay us, when invoiced, all taxes (if applicable (given verification that Lessee is a Tax-Exempt Entity)); including any sales, use and personal property taxes), then, interest and penalties relating to this Master Lease and the Equipment (excluding taxes based on our net income). You agree to file any required personal property tax returns and, if we ask, you will provide us with proof of payment. We do not have to contest any tax assessments.
- INDEMNITY.** We are not responsible for any injuries, damages, penalties, claims or losses, including legal expenses, incurred by you or any other person caused by the transportation, installation, manufacture, selection, purchase, lease, ownership, possession, modification, maintenance, condition, operation, use return or disposition of the Equipment. To extent permitted by law, you agree to reimburse us for and defend us against any claims for such losses, damages, penalties, claims, injuries, or expenses. This indemnity continues one (1) year after this Master Lease and each Schedule has expired for acts or omissions which occurred during the Schedule Term.
- IDENTIFICATION.** You authorize us to insert or correct missing information on this Master Lease and each Schedule, including your official name, serial numbers and any other information describing the Equipment. We will send you copies of such changes. You will attach to the Equipment any name plates or stickers we provide you.
- LOSS OR DAMAGE.** You are responsible for any loss of the Equipment from any cause at all, whether or not insured, from the time the Equipment is received by you until it is returned to us. If any item of Equipment is lost, stolen or damaged, you will promptly notify us of such event. Then, at our option, you will either (a) repair the Equipment so that it is in good condition and working order, eligible for any manufacturer's certification, or (b) pay us an amount equal to the Net Book Value (as defined in Section 14) of the lost, stolen or damaged Equipment. If you have satisfied your obligations under this Section 11, we will forward to you any insurance proceeds which we receive for lost, damaged, or destroyed Equipment. If you are in default, we will apply any insurance proceeds we receive to reduce your obligations under Section 14 of this Master Lease.
- INSURANCE.** You agree to (a) keep the Equipment fully insured against loss, naming us as loss payee, and (b) obtain a general public liability insurance policy covering both personal injury and property damage in amounts not less than we may tell you, naming us as additional insured, until you have met all your obligations under this Master Lease. We are under no duty to tell you if your insurance coverage is adequate. The policies shall state that we are to be notified of any proposed cancellation at least 15 days prior to the date set for cancellation. Upon our request, you agree to provide us with certificates or other evidence of insurance acceptable to us. If you do not provide us with evidence of proper insurance within 10 days of our request or we receive notice of policy cancellation, we may (but we are not obligated to) obtain insurance on our interest in the Equipment at your expense. You will pay all insurance premiums and related charges.
- DEFAULT.** You will be in default under this Master Lease if any of the following happens: (a) we do not receive any Rent or other payment due under this Master Lease within 10 days after its due date, or (b) you fail to perform or observe any other promise or obligation in this Master Lease and do not correct the default within 10 days after we send you written notice of

- default, or (c) any representation, warranty or statement you have made in this Master Lease shall prove to have been false or misleading in any material respect, or (d) any insurance carrier cancels or threatens to cancel any insurance on the Equipment, or (e) the Equipment or any part of it is abused, illegally used, misused, lost, destroyed, or damaged beyond repair, or (f) a petition is filed by or against you under any bankruptcy or insolvency laws, or (g) you default on any other agreement between you and us (or our affiliates).
14. **REMEDIES.** Upon the occurrence of a default, we may, in our sole discretion, do any or all of the following, provided we submit a prior ten (10) day written notice to you of said default: (a) provide written notice to you of default; (b) as liquidated damages for loss of a bargain and not as a penalty, declare due and payable, the present value of (i) any and all amounts which may be then due and payable by you to us under this Master Lease, plus (ii) all Rent payments under each Schedule remaining through the end of the Schedule Term, discounted at 4% (collectively, the "Net Book Value"). We have the right to require you to make all the Equipment under this Master Lease available to us for repossession during reasonable business hours or we may repossess the Equipment, so long as we do not breach the peace in doing so, or we may use legal process in compliance with applicable law pursuant to court order to have the Equipment repossessed. You will not make any claims against us or the Equipment for trespass, damage or any other reason. If we take possession of the Equipment we may (a) sell or lease the Equipment at public or private sale or lease, and/or (b) exercise such other rights as may be allowed by applicable law. Although you agree that we have no obligation to sell the Equipment, if we do sell the Equipment, we will reduce the Net Book Value by the amount we receive. You will immediately pay us the remaining Net Book Value. If we receive more than the Net Book Value plus our costs of sale, we will give you the excess. You agree (a) that we only need to give you 10 days advance notice of any sale and no notice of advertising, (b) to pay all of the costs we incur to enforce our rights against you, including attorney's fees, and (c) that we will retain all of our rights against you even if we do not choose to enforce them at the time of your default.
15. **YOUR OPTION AT END OF SCHEDULE TERM.** Provided you are not in default, upon expiration of the Schedule Term you have the option to purchase all but not less than all of the Equipment for \$1.00 (plus all sales and other applicable taxes).
16. **RETURN OF EQUIPMENT.** If (a) default occurs, or (b) a non-appropriation of funds occurs in accordance with Section 3, you will immediately return all the Equipment under each Schedule to any location(s) and aboard any carrier(s) we may designate in the continental United States. The Equipment must be properly packed for shipment in accordance with the manufacturer's recommendations or specifications, freight prepaid and insured, maintained in accordance with Section 7, and in "Average Saleable Condition." "Average Saleable Condition" means that all of the Equipment is immediately available for use by a third party buyer, user or lessee, other than yourself, without the need for any repair or refurbishment. All Equipment must be free of markings. You will pay us for any missing or defective parts or accessories. You will continue to pay Rent until the Equipment is received and accepted by us.
17. **YOUR REPRESENTATIONS AND WARRANTIES.** You hereby represent and warrant to us that as of the date of this Master Lease, and throughout each Schedule Term: (a) you are the entity indicated in this Master Lease; (b) you are a State or a fully constituted political subdivision or agency of the State in which you are located; (c) you are duly organized and existing under the Constitution and laws of the State in which you are located; (d) you authorized to enter into and carry out your obligations under this Master Lease, each Schedule, any documents relative to the acquisition of the Equipment and any other documents required to be delivered in connection with this Master Lease (collectively, the "Documents"); (e) the Documents have been duly authorized, executed and delivered by you in accordance with all applicable laws, rules, ordinances, and regulations. The Documents are valid, legal, binding agreements, enforceable in accordance with their terms. The person(s) signing the Documents have the authority to do so, are acting with the full authorization of your governing body, and hold the offices indicated below their signatures, each of which are genuine; (f) the Equipment is essential to the immediate performance of a governmental or proprietary function by you within the scope of your authority and shall be used during the Schedule Term only by you and only to perform such function; (g) you intend to use the Equipment for the entire Schedule Term and shall take all necessary action to include in your annual budget any funds required to fulfill your obligations for each fiscal year during the Schedule Term; (h) you have complied fully with all applicable law governing open meetings, public bidding and appropriations required in connection with this Master Lease and the acquisition of the Equipment; (i) your obligations to remit Rent under this Master Lease constitutes a current expense and not a debt under applicable state law. No provision of this Master Lease constitutes a pledge of your tax or general revenues, and any provision which is so construed by a court of competent jurisdiction is void from the inception of this Master Lease; (j) all payments due and to become due during your current fiscal year are within the fiscal budget of such year, and are included within an unrestricted and unencumbered appropriation currently available for the lease/purchase of the Equipment; (k) you shall not do or cause to be done any act which shall cause, or by omission of any act allow, the interest portion of any Rent payment to become includable in your gross income for Federal income taxation purposes under the Internal Revenue Code of 1986, as amended, (the "Code"); (l) you shall maintain a complete and accurate record of all assignments of each Schedule in the form sufficient to comply with the book entry requirements of Section 149(a) of the Code and the regulations prescribed thereunder from time to time; (m) you shall comply with the information reporting requirements of Section 149(a) of the Code and the regulations prescribed thereunder from time to time; (n) you shall comply with the information reporting requirements of Section 149(a) of the Code and the regulations prescribed thereunder from time to time; (o) you shall comply with the information reporting requirements of Section 149(a) of the Code and the regulations prescribed thereunder from time to time; (p) you shall comply with the information reporting requirements of Section 149(a) of the Code and the regulations prescribed thereunder from time to time; (q) you shall comply with the information reporting requirements of Section 149(a) of the Code and the regulations prescribed thereunder from time to time; (r) you shall comply with the information reporting requirements of Section 149(a) of the Code and the regulations prescribed thereunder from time to time; (s) you shall comply with the information reporting requirements of Section 149(a) of the Code and the regulations prescribed thereunder from time to time; (t) you shall comply with the information reporting requirements of Section 149(a) of the Code and the regulations prescribed thereunder from time to time; (u) you shall comply with the information reporting requirements of Section 149(a) of the Code and the regulations prescribed thereunder from time to time; (v) you shall comply with the information reporting requirements of Section 149(a) of the Code and the regulations prescribed thereunder from time to time; (w) you shall comply with the information reporting requirements of Section 149(a) of the Code and the regulations prescribed thereunder from time to time; (x) you shall comply with the information reporting requirements of Section 149(a) of the Code and the regulations prescribed thereunder from time to time; (y) you shall comply with the information reporting requirements of Section 149(a) of the Code and the regulations prescribed thereunder from time to time; (z) you shall comply with the information reporting requirements of Section 149(a) of the Code and the regulations prescribed thereunder from time to time.
18. **YOUR PROMISES.** In addition to the other provisions of this Master Lease, you agree that during the term of this Master Lease (a) you will promptly notify us in writing if you move your principal office or you change your name or legal structure, (b) you will provide to us such financial information as we may reasonably request from time to time, and (c) you will take any action we reasonably request to protect our rights in the Equipment and to meet your obligations under this Master Lease.
19. **ASSIGNMENT. YOU WILL NOT SELL, TRANSFER, ASSIGN, PLEDGE, SUB-LEASE OR PART WITH POSSESSION OF THE EQUIPMENT, OR FILE OR PERMIT A LIEN TO BE FILED AGAINST THE EQUIPMENT.** You will not attach any of the Equipment to any real estate. Upon our reasonable request and at your cost, you will obtain from each person having an interest in the real estate where the Equipment is located a waiver of any rights they may have in the Equipment. You understand and agree that we shall have the right to assign this Master Lease without your prior consent. You agree to reflect any such transfer in your book entry system, in accordance with Section 149(a) of the Code. Upon notice and instruction from us, you agree to remit to any such assignee, at the address provided by us from time to time, all Rent payments and other amounts due and to become due under this Master Lease. You agree that any such assignee shall have the same rights and benefits that we have. You agree that any such assignee's rights under this Master Lease shall not be subject to any claims, defenses or set-offs that you may have against us.
20. **COLLECTION EXPENSES, OVERDUE PAYMENT, TERMINATION.** You agree that we can, but do not have to, take on your behalf any action which you fail to take as required by this Master Lease, and our expenses will be in addition to of the Rent which you owe us. We may charge you a late charge to cover our collection costs on each Schedule equal to the higher of 10% of any late payment or \$22, but not more than the highest legal rate. To the extent allowed by law, each late payment or non-payment of any past due amount will accrue interest at the lower of 18% per annum or the highest legal rate from the due date until paid. If you so request and we permit the early termination of any Schedule (for reasons other than a non-appropriation pursuant to Section 3), you agree to pay a fee for such privilege.
21. **AGREED LEASE RATE FACTOR.** You understand that the Equipment may be purchased for cash (the "Equipment Cost") or it may be leased. By signing this Master Lease and each Schedule, you acknowledge that you have chosen to lease the Equipment from us for the Schedule Term and that you have agreed to pay Rent. Each payment of Rent includes a principal amount based on the Equipment Cost and a lease charge rate. The Equipment Cost is the Rent divided by the Lease Rate Factor. The lease charge portion of the Rent can be determined by applying to the Equipment Cost the rate which will amortize the Equipment Cost down to the Purchase Option amount by payment of the Rent. The lease charge rate can also be calculated using the Equipment Cost as the present value, the Purchase Option amount as the future value, the Rent as the payment and the Schedule Term as the term. The lease charge rate may be higher than the actual annual interest rate because of the amortization of certain costs, expenses and fees incurred by us. We both intend to comply with all applicable laws. If it is determined that your payments under this Master Lease result in an interest payment higher than allowed by applicable law, then any excess interest collected will be applied to the repayment of principal and interest will be charged at the highest rate allowed by law. In no event will we charge or receive or will you pay any amounts in excess of the legal amount.
22. **MISCELLANEOUS.** This Master Lease and each Schedule contains our entire agreement and supercedes any conflicting provision of any equipment purchase order or any other agreement. TIME IS OF THE ESSENCE IN THIS LEASE. If a court finds any provision of this Master Lease to be unenforceable, the remaining terms of this Master Lease shall remain in effect. THIS LEASE IS A "FINANCE LEASE" AS DEFINED IN ARTICLE 2A OF THE UNIFORM COMMERCIAL CODE. You authorize us (or our agent) to (a) obtain credit reports, (b) make such other credit inquiries as we may deem necessary, and (c) furnish payment history information to credit reporting agencies. To the extent permitted by law, we may charge you a fee of \$50.00 per Schedule to cover our documentation and investigation costs.
23. **NOTICES.** All of your written notices to us must be sent by certified mail or recognized overnight delivery service, postage prepaid, to us at our address stated in this Master Lease, or by facsimile transmission to our facsimile telephone number, with oral confirmation of receipt. All of our notices to you may be sent first class mail, postage prepaid, to your address stated in this Master Lease. At any time after this Master Lease is signed, you or we may change an address or facsimile telephone number by giving notice to the other of the change.
24. **WAIVERS. WE AND YOU EACH AGREE TO WAIVE AND TO TAKE ALL REQUIRED STEPS TO WAIVE ALL RIGHTS TO A JURY TRIAL.** To the extent you are permitted by applicable law, you waive all rights and remedies conferred upon a lessee by Article 2A (Sections 508-522) of the Uniform Commercial Code including but not limited to your rights to: (a) cancel or repudiate this Master Lease; (b) reject or revoke acceptance of the Equipment; (c) recover damages from us for any breach of warranty or for any other reason; and (d) grant a security interest in any Equipment in your possession. To the extent you are permitted by applicable law, you waive any rights you now or later may have under any statute or otherwise which require us to sell or otherwise use any Equipment to reduce our damages, which require us to provide you with notice of default, intent to accelerate amounts becoming due or acceleration of amounts becoming due, or which may otherwise limit or modify any of our rights or remedies. ANY ACTION YOU TAKE AGAINST US FOR ANY DEFAULT, INCLUDING BREACH OF WARRANTY OR INDEMNITY, MUST BE STARTED WITHIN ONE (1) YEAR AFTER THE EVENT WHICH CAUSED IT.
25. **APPLICABLE LAWS / JURISDICTION.** The terms of this Master Lease shall be governed in accordance with and subject to the laws of the State of Illinois. All claims or other causes of action shall be subject to the jurisdiction of Illinois courts.

**IMPORTANT: READ BEFORE SIGNING.** THE TERMS OF THIS LEASE (INCLUDING THOSE ON THE PREVIOUS PAGE) SHOULD BE READ CAREFULLY BECAUSE ONLY THOSE TERMS IN WRITING ARE ENFORCEABLE. TERMS OR ORAL PROMISES WHICH ARE NOT CONTAINED IN THIS WRITTEN AGREEMENT MAY NOT BE LEGALLY ENFORCED. YOU MAY CHANGE THE TERMS OF THIS LEASE ONLY BY ANOTHER WRITTEN AGREEMENT BETWEEN YOU AND US. YOU AGREE TO COMPLY WITH THE TERMS AND CONDITIONS OF THIS LEASE. YOU AGREE THAT THE EQUIPMENT WILL BE USED FOR BUSINESS PURPOSES ONLY AND NOT FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES.

YOU CERTIFY THAT ALL THE INFORMATION GIVEN IN THIS LEASE AND YOUR APPLICATION WAS CORRECT AND COMPLETE WHEN THIS LEASE WAS SIGNED. THIS LEASE IS NOT BINDING UPON US OR EFFECTIVE UNLESS AND UNTIL WE EXECUTE THIS LEASE. THIS LEASE WILL BE GOVERNED BY THE LAWS OF THE STATE OF ILLINOIS. YOU AGREE TO THE JURISDICTION AND VENUE OF FEDERAL AND STATE COURTS IN ILLINOIS COUNTY, COOK.

ACCEPTED BY:

LESSOR: MILLENNIUM LEASING & FINANCIAL SERVICES, INC.

BY: X

NAME & TITLE (printed):

DATE:

PROPOSED BY:

LESSEE: Zion Elementary School District 6

BY: X

NAME & TITLE (printed):

DATE:

FED TAX ID# 36-6004832

SCHEDULE NO. 10600-1 TO MASTER STATE AND LOCAL  
GOVERNMENT LEASE - PURCHASE AGREEMENT NO. 10600

MASTER LEASE NUMBER  
10600

This Leasing Schedule No. 10600-1 ("Schedule") is entered into pursuant to that Master State And Local Government Lease-Purchase Agreement No. 10600 ("Master Lease"), and is effective as of March 1, 2005. The terms, conditions, representations, and warranties of the Master Lease are hereby incorporated herein by reference. Unless otherwise indicated, all capitalized terms, when used herein, which are defined in the Master Lease are intended to have the same meaning as when used therein.

EQUIPMENT LOCATION			
EQUIPMENT LOCATION (NUMBER AND STREET) <u>1266 W. Northwest Highway, Suite 740</u>			
CITY <u>Palatine</u>	COUNTY <u>Cook</u>	STATE <u>IL</u>	ZIP CODE <u>60067</u>

EQUIPMENT INFORMATION		
QTY	ORDER NO.	EQUIPMENT DESCRIPTION (incl. Serial Number, Make, Model, Year, etc.)
		<u>See attached Exhibit A</u>

YOUR LEASE PAYMENT SCHEDULE			
NUMBER OF RENT PAYMENTS (IN ORDER)	RENT (COMPOSED OF BOTH PRINCIPAL AND INTEREST)	LEASE TERM (IN MONTHS)	FREQUENCY OF RENT PAYMENTS
<u>1-4</u>	<u>\$0.00</u>		<input type="checkbox"/> MONTHLY
<u>5-60</u>	<u>\$30,830.12</u>	<u>60</u>	<input type="checkbox"/> OTHER (SPECIFY)
ADVANCE RENT <u>\$0.00</u>	SPECIAL PAYMENT PROVISIONS		

LEASE RATE FACTOR	DOCUMENTATION FEE	TOTAL OF ALL RENT PAYMENTS	EQUIPMENT COST FINANCED	LEASE CHARGE RATE
Cost of credit to you <u>.0215</u>	<u>\$ 0.00</u>	Amount you will have paid after you have made all rent payments <u>\$ 1,778,486.72</u>	Amount of credit provided to you for equipment <u>\$ 1,439,231.23</u>	Dollar amount the credit will cost you <u>\$ 293,235.49</u>

DELIVERY AND ACCEPTANCE CERTIFICATE	
<p>Lessee, through its authorized representative, hereby represents and certifies to Lessor that:</p> <p>The Equipment listed above has been delivered to the location where it will be used, which is listed above; All of the Equipment has been inspected and is (a) complete, (b) properly installed, (c) functioning, and (d) in good working order; Lessee accepts the Equipment for all purposes under the Master Lease and this Schedule as of the date listed below (the "Acceptance Date"), which is the date on which the Equipment was delivered and fully installed; Your first Rent payment (other than any Advance Rent) is due <u>120</u> after the Start Date of 3/1/2005; The Equipment is of a size, design, capacity and manufacture acceptable to Lessor and suitable for Lessee's purposes; and Lessee is not in default under the Master Lease, no Non-Appropriation of Funds (as described in the Lease) has occurred, and all of Lessee's statements and promises set forth in the Lease are true and correct.</p> <p>This Acceptance Certificate is executed as of and the Equipment is accepted as of _____, 20____ ("Acceptance Date")</p> <p>LESSEE: <u>Zion Elementary School District 6</u></p> <p>BY: X _____</p> <p>NAME &amp; TITLE (printed): _____</p>	

**IMPORTANT:** READ BEFORE SIGNING. THE TERMS OF THIS SCHEDULE SHOULD BE READ CAREFULLY BECAUSE ONLY THOSE TERMS IN WRITING ARE ENFORCEABLE. TERMS OR ORAL PROMISES WHICH ARE NOT CONTAINED IN THIS WRITTEN AGREEMENT MAY NOT BE LEGALLY ENFORCED. YOU MAY CHANGE THE TERMS OF THIS SCHEDULE ONLY BY ANOTHER WRITTEN AGREEMENT BETWEEN YOU AND US. YOU AGREE TO COMPLY WITH THE TERMS AND CONDITIONS OF THIS SCHEDULE. YOU AGREE THAT THE EQUIPMENT WILL BE USED FOR BUSINESS PURPOSES ONLY AND NOT FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES.

YOU CERTIFY THAT ALL THE INFORMATION GIVEN IN THIS SCHEDULE WAS CORRECT AND COMPLETE WHEN THIS SCHEDULE WAS SIGNED. THIS SCHEDULE IS NOT BINDING UPON US OR EFFECTIVE UNLESS AND UNTIL WE EXECUTE THIS SCHEDULE. THIS SCHEDULE AND THE MASTER LEASE WILL BE GOVERNED BY THE LAWS OF THE STATE OF Illinois. YOU AGREE TO THE JURISDICTION AND VENUE OF FEDERAL AND STATE COURTS IN ILLINOIS COUNTY, COOK.

ACCEPTED BY:  
LESSOR: MILLENNIUM LEASING & FINANCIAL SERVICES, INC.  
BY: X \_\_\_\_\_  
NAME & TITLE (printed): \_\_\_\_\_  
DATE: \_\_\_\_\_

PROPOSED BY:  
LESSEE: Zion Elementary School District 6  
BY: X Ruth A. Davis  
NAME & TITLE (printed): Ruth A. Davis  
DATE: 2/28/05 FED TAX ID# 36-6004832

ESSENTIAL USE/SOURCE OF FUNDS LETTER

RE: Leasing Schedule Number 10600-1, to Master Lease Purchase Agreement Number 10600 dated March 1, 2005 (collectively, hereinafter the "Lease") by and between MILLENNIUM LEASING & FINANCIAL SERVICES, INC. ("Lessor") and Zion Elementary School District 6 ("Lessee")

Ladies and Gentlemen:

This confirms and affirms that the Equipment described in the Lease is essential to the function of the undersigned or to the service we provide to our citizens.

Further, we have an immediate need for, and expect to make immediate use of, substantially all such Equipment, which need is not temporary or expected to diminish in the foreseeable future. Such Equipment will be used by us only for the purpose of performing one or more of our governmental or proprietary functions consistent with the permissible scope of our authority. Specifically, such Equipment was selected by us to be used as follows: technology infrastructure + support necessary for our school district's operations.

The estimated useful life of such Equipment based upon manufacturer's representations and our projected needs is 5 years.

Our source of funds for payments of the rent due under the Lease for the current fiscal year is revenue and cash reserves.

We expect and anticipate adequate funds to be available for all future payments of rent due after the current fiscal year for the following reasons: continued revenue and cash reserves, including state + federal aid and local property taxes.

LESSEE: Zion Elementary School District 6

By: x

Ruth A. Davis  
(Authorized Signature)

Ruth A. Davis, Board Pres.  
(Name and Title - printed or typed)

Date:

2/28/05

CERTIFICATE OF CLERK OR SECRETARY

I, the undersigned, do certify that:

The person(s) who executed the Master State and Local Government Lease - Purchase Agreement No. 10600  
dated 2/28/05, and all other Documents related thereto, inclusive of Leasing Schedule No. 10600-1  
(collectively the "Lease"), by and between Millennium Leasing & Financial Services, Inc. ("Lessor") and Zion Elementary  
School District 6 ("Lessee"), on behalf of Lessee and whose genuine signature(s) appear thereon, is/are duly qualified and  
acting officer(s) of the Lessee as stated beneath his and/or her signature(s) and has been authorized to execute the  
Lease.

(Seal)

No seal  
available

By: X

Brenda S. Landers  
(SIGNATURE OF BOARD CLERK/SECRETARY)

(IF AUTHORIZED SIGNER OF DOCUMENTS IS SECRETARY  
OR CLERK, PLEASE HAVE THIS SECTION EXECUTED BY  
A DIFFERENT BOARD MEMBER)

Brenda S. Landers. Board Secy.  
(NAME & TITLE - Printed or Typed)

Date:

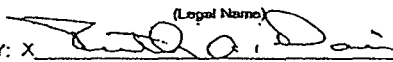
2/28/05

QUALIFIED TAX-EXEMPT OBLIGATIONS

I, the undersigned, hereby agree, warrant and represent to MILLENNIUM LEASING & FINANCIAL SERVICES, INC. ("Lessor") and its assigns as follows:

1. Zion Elementary School District 6 ("Lessee") designates Leasing Schedule No. 10600-1 ("Schedule") to the Master State And Local Government Lease-Purchase Agreement No. 10600 ("Master Lease") as a "Qualified Tax-Exempt Obligation" for the purposes of Section 265 (b) (3) of the Code;
2. Lessee will own and operate the Equipment leased under any Schedule to the Master Lease in the performance of its public purposes; and the Equipment will not be subject to the use or control of any other entity;
3. Lessee will not designate more than Ten Million Dollars (\$10,000,000) of tax-exempt obligations during the current calendar year as "Qualified Tax-Exempt Obligations". Lessee reasonably expects to issue no more than Ten Million Dollars (\$10,000,000) of tax-exempt obligations during the current calendar year; and
4. For purposes of Paragraph 3 herein above, the amount of tax-exempt obligations stated as either issued or designated as "Qualified Tax-Exempt Obligations" includes tax-exempt obligations issued by all subordinate entities of Lessee, as provided in Section 265 (b) (3) (E) of the Code.

LESSEE: Zion Elementary School District 6

BY: X   
(Legal Name)  
(Signature of Authorized Signer)  
Ruth A. Davis, Board Pres.  
(NAME & TITLE - Printed or Typed)



OPINION OF COUNSEL  
[TO BE COMPLETED ON COUNSEL'S LETTERHEAD]

<Date>

Ladies and Gentlemen:

I have acted as counsel to Zion Elementary School District 6 (the "Lessee") with respect to Leasing Schedule No. 10600-1 to Master State And Local Government Lease-Purchase Agreement No. 10600 by and between the Lessee and MILLENNIUM LEASING & FINANCIAL SERVICES, INC. (collectively, the "Lease"), and in this capacity have reviewed the original or duplicate originals of the Lease and such other documents as I have deemed relevant. Based upon the foregoing, I am of the opinion that:

1. Lessee is a state or a fully constituted political subdivision or agency of a state within the meaning of Section 103 of the Internal Revenue Code of 1986, as amended.
2. The execution, delivery and performance of the Lease by Lessee have been duly authorized by all necessary action on the part of Lessee.
3. The Lease constitutes a legal, valid and binding obligation of Lessee enforceable in accordance with its terms, except as limited by laws of general application affecting the enforcement of creditors' rights, and does not constitute a debt of Lessee which is prohibited by state law.
4. The authorization, approval and execution of the Lease and all other proceedings of Lessee related to the transactions contemplated thereby have been performed in accordance with all open-meeting laws, public bidding laws, and all other applicable state laws. The undersigned certifies that (s)he is an attorney duly authorized to practice law in the State of Illinois. The foregoing opinions are limited to the laws of such State of Illinois and federal laws of the United States.
5. The signature of the official of Lessee which appears on the Lease and the attached documents is true and genuine; I know him/her to hold the office set forth below his/her name. Such official is duly authorized to execute the Lease and the attached documents.
6. This opinion may be relied upon by Lessor and its assigns.
7. The Lessee is Bank-Qualified.

\_\_\_\_\_  
Attorney of Lessee

\_\_\_\_\_  
Firm Name

INSURANCE COVERAGE REQUIREMENTS

- 1) Insurance Agency - Name of Agency, Address and Phone Number
- 2) Insurance Company - The full name of the company who holds the coverage.
- 3) Insured Name - Lessee Name and Address
- 4) Property Damage & Loss Coverage -
  - a) "All Risk" Physical Damage & Loss Insurance
  - b) Include: Policy Number, Effective Date and Expiration Date
  - c) MILLENNIUM LEASING & FINANCIAL SERVICES, INC. and its Assigns named "Loss Payee"
  - d) Endorsement giving 30 days written notice of any changes or cancellation.  
LIMITS: The full replacement value of the equipment
- 5) General Liability Coverage -
  - a) Include: Policy Number, Effective Date and Expiration Date.
  - b) MILLENNIUM LEASING & FINANCIAL SERVICES, INC. and its Assigns named "Additional Insured"
  - c) Endorsement giving 30 days written notice of any changes or cancellation.
  - d) LIMITS: Bodily Injury - \$1,000,000.00 per occurrence  
Property Damage - \$250,000.00 per occurrence  
Combined Single Limit - \$1,000,000.00 per occurrence
  - e) Include: Product and/or completed operations, and blanket contractual liability.
- 6) The Certificate Holder should be named as follows:  
  
MILLENNIUM LEASING & FINANCIAL SERVICES, INC. and its assigns  
1901 Butterfield Road; Suite 640  
Downers Grove, IL 60515

FOR SELF INSURANCE:

A letter needs to be typed on the Lessee's Letterhead and addressed to MILLENNIUM LEASING & FINANCIAL SERVICES, INC. and its Assigns. It needs to be signed by an authorized official of the Lessee, referring to the Agreement, and including information regarding the statute authorizing this form of insurance (with a copy of the statute attached to the letter).

Schedule "A" attached to Municipal Lease -- Equipment Description - Page 1 of 1

Lease No.: 10600-1  
Lessee: Zion Elementary School District 6  
Vendor: Net 56, Inc.  
Lessor: Millennium Leasing & Financial Services, Inc.

This Exhibit "A" is attached to and a part of the Municipal equipment lease agreement by and between the above leasing customer and Lessor relating to the lease transaction referenced above. The following is a full and complete description of the leased equipment:

<u>Quantity</u>	<u>Equipment Type</u>	<u>Serial Number</u>
2	Xeon EM64T 3.6 Ghz/800MHz 1MB L2, 2x512MB	
2	HS20 Xeon EM64T 3.6GHz/800MHz 1 MB L2, 2x512MB, O/Bay U320	
2	IBM Fiber Chandel Expansion Card	
3	2Gbps FC 146.8 GB 10k Hot-Swap HDD	
2	VMWare Virtual Infrastructure Node	
2	8gig Memory upgrade	

The leasing customer agrees that a facsimile of this document or the signature shall be as valid and binding as the original and will be admissible in court as conclusive evidence of this document.

Zion Elementary School District 6

Millennium Leasing & Financial Services, Inc.



Signature of Leasing Customer    Date

Ruth A. Davis    2/28/03  
Board Pres.

Accepted by Lessor

Date

# MASTER STATE AND LOCAL GOVERNMENT LEASE - PURCHASE AGREEMENT

MASTER LEASE NUMBER

10600

LEASING INFORMATION			
Zion Elementary School District 6			
TRADE NAME		DEPT (IF ANY)	
FEDERAL TAX ID 36-6004832		CONTACT PERSON & TITLE Donald Robinson / Assistant Superintendent	
PRIMARY ADDRESS (BUSINESS AND STREET) 2200 Bethesda Boulevard			
CITY Zion	COUNTY Lake	STATE IL	ZIP CODE 60099
TELEPHONE NUMBER 847-366-2891		FACSIMILE NUMBER 847-746-4173	

MILLENNIUM LEASING &  
FINANCIAL SERVICES, INC.  
1901 Butterfield Road, Suite 640  
Downers Grove, IL 60516  
Ph: 630-810-4840

## TERMS AND CONDITIONS

- MASTER LEASE: LEASING SCHEDULES.** Subject to the terms of this Master Lease, you agree to lease from us the Equipment described in any Schedule now or hereafter attached hereto and made a part hereof ("Schedule"). You agree to be bound by all the terms of this Master Lease. We and you may enter into any number of separate and distinct leasing Schedules, each of which shall constitute a separate lease for Equipment, but all of which shall incorporate and be subject to the terms, conditions and provisions of this Master Lease. The term "Master Lease" shall include each and every Schedule entered hereunder from time to time.
- DELIVERY AND ACCEPTANCE OF EQUIPMENT.** Acceptance of the Equipment occurs upon delivery, inspection and approval by Lessee, such approval not to be unreasonably withheld or delayed. When you receive the Equipment, you agree to inspect it and to verify by telephone or in writing such information as we may require. Delivery and installation costs are your responsibility. If you signed a purchase contract for the Equipment, by signing the applicable Schedule, you assign your rights, but none of your obligations under the purchase contract, to us.
- RENT.** You agree to pay us Rent (plus applicable taxes) in the amount and frequency stated in each Schedule. If your Rent payments are due in Advance, your first Rent payment is due on the date you accept the Equipment under the Schedule. We will advise you as to (a) the due date of each Rent payment, and (b) the address to which you must send your payments. Rent is due whether or not you actually use the Equipment. You will pay us any required Advance Rent or Security Deposit when you sign the Schedule. Security Deposits or Advance Rents may be commingled and do not earn interest. Provided you are not in default, we may apply your Security Deposit to the last Rent payment or we may refund the Security Deposit to you when the Schedule Term expires. If we collect more than one payment as Advance Rent, we may apply such Advance Rent to the last Rent payment. Remedial enforcement on checks you send to us will not reduce your obligation to us. Unless a proper exemption certificate is provided, applicable sales and use taxes will be added to the Rent.
- NON-APPROPRIATION OF FUNDS.** You intend to remit all Rent and other payments to us for the full Schedule Term if funds are legally available. In the event you are not granted an appropriation of funds at any time during the Schedule Term for the Equipment or for equipment which is functionally similar to the Equipment and operating funds are not otherwise available to you to pay the Rent and other payments due and to become due under this Master Lease, and there is no other legal procedure or available funds by which payment can be made to us, and the non-appropriation did not result from an act or omission by you, you shall have the right to return the Equipment under each Schedule in accordance with Section 16 of this Master Lease and terminate this Master Lease on the last day of the fiscal year for which appropriations were received without penalty or expense to you, except as to the portion of Rent for which funds shall have been appropriated and lumpsum. At least thirty (30) days prior to the end of your fiscal year, your chief executive officer (or legal counsel) shall certify in writing that (a) funds have not been appropriated for the upcoming fiscal period, (b) such non-appropriation did not result from any act or failure to act by you, and (c) you have consumed all funds legally available for the payment of Rent. If you terminate this Master Lease because of non-appropriation of funds, you may not purchase, lease or rent equipment performing functions similar to those performed by the Equipment for a period of twelve (12) months as measured from the effective date of such termination. This Section 3 shall not permit you to terminate this Master Lease in order to acquire any other Equipment or to allocate funds directly or indirectly to perform severally the application for which the Equipment is intended.
- UNCONDITIONAL OBLIGATION.** YOU AGREE THAT, SUBJECT TO A NON-APPROPRIATION OF FUNDS EVENT, YOU ARE UNCONDITIONALLY OBLIGATED TO PAY ALL RENT AND ANY OTHER AMOUNTS DUE UNDER EACH SCHEDULE FOR THE FULL SCHEDULE TERM EVEN IF THE EQUIPMENT IS DAMAGED OR DESTROYED, IF IT IS DEFECTIVE OR IF YOU HAVE TEMPORARY OR PERMANENT LOSS OF ITS USE. YOU ARE NOT ENTITLED TO REDUCE OR SET-OFF AGAINST RENT OR OTHER AMOUNTS DUE UNDER THE SCHEDULE FOR ANY REASON WHATSOEVER.
- DISCLAIMER OF WARRANTIES.** THE EQUIPMENT IS BEING LEASED TO YOU IN AS-IS CONDITION. ANY CHANGE TO THIS MASTER LEASE MUST BE MUTUALLY AGREED TO IN WRITING. YOU AGREE THAT WE HAVE NOT MANUFACTURED THE EQUIPMENT AND THAT YOU HAVE SELECTED THE EQUIPMENT BASED UPON YOUR OWN JUDGMENT. YOU HAVE NOT RELIED ON ANY STATEMENTS WE OR OUR EMPLOYEES HAVE MADE. WE HAVE NOT MADE AND DO NOT MAKE ANY EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES WHATSOEVER, INCLUDING WITHOUT LIMITATION, THE EQUIPMENT'S MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, DURABILITY, DESIGN, CONDITION, DURABILITY, OPERATION, QUALITY OF MATERIALS OR WORKMANSHIP, OR COMPLIANCE WITH SPECIFICATIONS OR APPLICABLE LAW. You are aware of the name of the Equipment manufacturer and you will contact the manufacturer for a description of your warranty rights. If the manufacturer has provided us with a warranty, we assign our rights to such warranty to you and you may assert all warranty rights directly against the manufacturer of the Equipment. You agree to settle any dispute you may have regarding performance of the Equipment directly with the manufacturer of the Equipment.
- TITLE AND SECURITY INTEREST.** Unless otherwise required by the laws of the state where you are located, you shall have title to the Equipment immediately upon delivery and shall be deemed to be the owner of the Equipment as long as you are not in default under this Master Lease. In the event of a default under this Master Lease, title to the Equipment under each Schedule shall revert to us free and clear of any rights or interests you may have in the Equipment. To secure all of your obligations to us under this Master Lease you hereby grant us a security interest in (a) the Equipment to the extent of your interest in the Equipment, (b) anything attached or added to the Equipment at any time, (c) any money or property from the sale of the Equipment, and (d) any money from an insurance claim if the Equipment is lost or damaged. You agree that the security interest will not be affected if this Master Lease is changed in any way. You hereby appoint us (or our agent) as your true and lawful attorney-in-fact, for the exclusive limited purpose, to file your signature to UCC financing statements prepared and filed on your behalf by us for our agency with the same force and effect as if you had signed such financing statements. If we request, you agree to sign financing statements in order for us to perfect our security interest. This Master Lease or a copy of this Master Lease shall be sufficient as a financing statement and may be filed as such.
- USE, MAINTENANCE AND REPAIR.** You will move the Equipment from the Equipment Location without our advance written consent. You will give us reasonable access to the Equipment Location so that we can check the Equipment's maintenance, condition and proper maintenance. You will use the Equipment in the manner for which it was intended, as required by all applicable manuals and instructions and keep it eligible for any manufacturer's certification and/or standard, all service maintenance contract. At your own cost and expense, you will keep the Equipment in good repair, condition and working order, ordinary wear and tear excepted. Provided (a) you do not terminate any Schedule because of a non-appropriation pursuant to Section 3, (b) you are not in default, and (c) you exercise your purchase option pursuant to Section 12, all replacement parts and repairs will become our property. You will not make any permanent alterations to the Equipment.
- TAXES.** You agree that you will pay us, when invoiced, all taxes (if applicable (when verification that Lessee is a Tax-Exempt Entity); including any sales, use and personal property taxes), fees, interest and penalties relating to this Master Lease and the Equipment (excluding taxes based on our net income). You agree to file any required personal property tax returns and, if we ask, you will provide us with proof of payment. We do not have to collect any tax assessments.
- INDemnITY.** We are not responsible for any injuries, damages, penalties, claims or losses, including legal expenses, incurred by you or any other person caused by the transportation, installation, inspection, selection, purchase, lease, ownership, possession, modification, maintenance, condition, operation, use, return or disposition of the Equipment. To extent permitted by law, you agree to reimburse us for and defend us against any claims for such losses, damages, penalties, claims, injuries, or expenses. This indemnity continues one (1) year after this Master Lease and each Schedule has expired for acts or omissions which occurred during the Schedule Term.
- IDENTIFICATION.** You agree to us to insert or attach labeling information on this Master Lease and each Schedule, including your official name, serial numbers and any other information describing the Equipment. We will send you copies of such changes. You will attach to the Equipment any name plates or stickers we provide you.
- LOSS OR DAMAGE.** You are responsible for any loss of the Equipment from any cause at all, whether or not insured, from the time the Equipment is received by you until it is returned to us. If any item of Equipment is lost, stolen or damaged, you will promptly notify us of such event. Then, at our option, you will either (a) repair the Equipment so that it is in good condition and working order, eligible for any manufacturer's certification, or (b) pay us an amount equal to the Net Book Value (as defined in Section 14) of the lost, stolen or damaged Equipment. If you have secured your obligations under this Section 11, we will forward to you any insurance proceeds which we receive for lost, damaged, or destroyed Equipment. If you are in default, we will apply any insurance proceeds we receive to reduce your obligations under Section 14 of this Master Lease.
- INSURANCE.** You agree to (a) keep the Equipment fully insured against loss, burning or an explosion, and (b) obtain a general public liability insurance policy covering both personal injury and property damage in amounts not less than we may tell you, covering us as additional insured, with you have met all your obligations under this Master Lease. We are under no duty to let you if your insurance coverage is adequate. The policy shall state that we are to be notified of any proposed cancellation at least 15 days prior to the date for cancellation. Upon our request, you agree to provide us with certificates or other evidence of insurance acceptable to us. If you do not provide us with evidence of proper insurance within 10 days of our request or we receive notice of policy cancellation, we may (and we are not obligated to) obtain insurance on our behalf in the Equipment at your expense. You will pay all insurance premiums and related charges.
- DEFAULT.** You will be in default under this Master Lease if any of the following happens: (a) we do not receive any Rent or other payments due under this Master Lease within 10 days after its due date, or (b) you fail to perform or observe any promise or obligation in this Master Lease and do not correct the default within 10 days after we send you written notice of

X

- detail, or (4) any representation, warranty or statement you have made in this Master Lease shall prove to have been false or misleading in any material respect, or (5) any insurance carrier cancels or refuses to cancel any insurance on the Equipment, or (6) the Equipment or any part of it is stolen, damaged, destroyed, lost, destroyed, or damaged beyond repair, or (7) a petition is filed by or against you under any bankruptcy or insolvency laws, or (8) you default on any other agreement between you and us (or our affiliates).
14. **REMEDIES.** Upon the occurrence of a default, we may, in our sole discretion, do any or all of the following, provided we submit a prior item (10) day written notice to you of said default: (a) we may require you to pay the full amount of the lease, plus (b) all Rent payments under each Schedule remaining through the end of the Schedule Term, discounted at 4% (collectively, the "Net Book Value"). We have the right to require you to make all the Equipment under this Master Lease available to us for repossession during reasonable business hours if we may repossess the Equipment, so long as we do not breach the peace in doing so, or we may use legal process in compliance with applicable law pursuant to court order to have the Equipment repossessed. You will not make any claims against us or the Equipment for trespass, damage or any other reason. If we take possession of the Equipment we may (i) use or lease the Equipment at public or private sale or lease, and/or (ii) exercise such other rights as may be allowed by applicable law. Although you agree that we have no obligation to sell the Equipment, if we do sell the Equipment, we will reduce the Net Book Value by the proceeds realized. You will immediately pay us the remaining Net Book Value. If we receive more than the Net Book Value plus our costs of sale, we will give you the excess. You agree (i) that we only need to give you 10 days advance notice of any sale and no notice of advertising, (ii) to pay all of the costs we incur to enforce our rights against you, including attorney's fees, and (iii) that we will retain all of our rights against you even if we do not choose to enforce them at the time of your default.
15. **YOUR OPTION AT END OF SCHEDULE TERM.** Provided you are not in default upon expiration of the Schedule Term you have the option to purchase all but not less than all of the Equipment for \$1.00 (plus all sales and other applicable taxes).
16. **RETURN OF EQUIPMENT.** If (i) default occurs, or (ii) a non-appropriation of funds occurs in accordance with Section 3, you will immediately return all the Equipment under each Schedule to any location(s) and observe any correct(s) we may designate in the continental United States. The Equipment must be properly packed for shipment in accordance with the manufacturer's recommendations or specifications, freight prepaid and insured, maintained in accordance with Section 7, and in "Average Saleable Condition." Average Saleable Condition means that all of the Equipment is immediately available for use by a third party buyer, user or lessee, other than yourself, without the need for any repair or refurbishment. All Equipment must be free of markings. You will continue to pay Rent until the Equipment is received and accepted by us.
17. **YOUR REPRESENTATIONS AND WARRANTIES.** You hereby represent and warrant to us that as of the date of this Master Lease, and throughout each Schedule Term: (a) you are the duly authorized representative of the State of Illinois; (b) you are a duly constituted political subdivision or agency of the State in which you are located; (c) you are duly organized and existing under the Constitution and laws of the State in which you are located; (d) you are authorized to enter into and carry out your obligations under this Master Lease, each Schedule, any documents related to the acquisition of the Equipment and any other documents required to be delivered in connection with this Master Lease (collectively, the "Documents"); (e) the Documents have been duly authorized, executed and delivered by you in accordance with all applicable laws, rules, ordinances, and regulations. The Documents are valid, legal, binding agreements, enforceable in accordance with their terms. The person(s) signing the Documents have the authority to do so, are acting with the full authorization of your governing body, and hold the office indicated below their signature, each of which is particular: (f) the Equipment is essential to the immediate performance of a governmental or proprietary function by you within the scope of your authority and shall be used during the Schedule Term only by you and only to perform such function; (g) you intend to use the Equipment for the entire Schedule Term and shall take all necessary action to include in your annual budget any funds required to fulfill your obligations for each local year during the Schedule Term; (h) you have completed fully with all applicable law governing open meeting, public bidding and appropriations required in connection with this Master Lease and the acquisition of the Equipment; (i) your obligations to make Rent under this Master Lease constitute a current expense and not a debt under applicable state law; No provision of this Master Lease constitutes a pledge of your tax or general revenues, and any provision which is so construed by a court of competent jurisdiction is void from the inception of this Master Lease; (j) all payments due and to become due during your current fiscal year are within the fiscal budget of such year, and are included within an unencumbered and unencumbered appropriation currently available for the lease/purchase of the Equipment; (k) you will not do or cause to be done any act which shall cause, or by omission of any act cause, the interest portion of any Rent payment to become includable in our gross income for Federal income taxation purposes under the Internal Revenue Code of 1986, as amended, (the "Code"); (l) you shall maintain a complete and accurate record of all assignments of each Schedule in the form sufficient to comply with the book entry requirements of Section 149(a) of the Code and the regulations prescribed thereunder from time to time; (m) you shall comply with the information reporting requirements of Section 149(b) of the Code. Such compliance shall include, but not be limited to, the execution of B203-G or B203-GC Information Return, and (n) all financial information you have provided to us is true and accurate and provides a good representation of your financial condition.
18. **YOUR PROMISES.** In addition to the other provisions of this Master Lease, you agree that during the term of this Master Lease (a) you will properly notify us in writing if you move your principal office or you change your name or legal structure; (b) you will provide to us such financial information as we may reasonably request from time to time; and (c) you will take any action we reasonably request to protect our rights in the Equipment and to meet your obligations under this Master Lease.
19. **ASSIGNMENT. YOU WILL NOT SELL, TRANSFER, ASSIGN, PLEDGE, SUBLEASE OR PART WITH POSSESSION OF THE EQUIPMENT, OR FILE OR PERMIT A LIEN TO BE FILED AGAINST THE EQUIPMENT.** You will not attach any of the Equipment to any real estate. Upon our reasonable request and at your cost, you will obtain from each person having an interest in the real estate where the Equipment is located a waiver of any rights they may have in the Equipment. You understand and agree that we shall have the right to repossess this Master Lease without your prior consent. You agree to protect any such transfer in your book entry system, in accordance with Section 149(a) of the Code. Upon notice and instruction from us, you agree to enroll in any such assignment, all the addresses provided by us from time to time, all Rent payments and other amounts due and to become due under this Master Lease. You agree that any such assignment shall have the same rights and benefits that we have. You agree that any such assignment's rights under this Master Lease shall not be subject to any claims, defenses or set-offs that you may have against us.
20. **COLLECTION EXPENSES, OVERDUE PAYMENT, TERMINATION.** You agree that we can, but do not have to, take on your behalf any action which you fail to take as required by this Master Lease, and our expenses will be in addition to all the fees which you owe us. We may charge you a late charge to cover our collection costs on each Schedule equal to the higher of 10% of any late payment or \$22, but not more than the highest legal rate. To the extent allowed by law, each late payment or non-payment of any past due amount will accrue interest at the lower of 10% per annum or the highest legal rate from the due date until paid. If you so request and we permit the early termination of any Schedule for reasons other than a non-appropriation pursuant to Section 3, you agree to pay a fee for each early termination.
21. **AGREED LEASE RATE FACTOR.** You understand that the Equipment may be purchased for cash (the "Equipment Cost") or it may be leased, by signing this Master Lease and each Schedule, you acknowledge that you have chosen to lease the Equipment from us for the Schedule Term and that you have agreed to pay Rent. Each payment of Rent includes a principal amount based on the Equipment Cost and a lease charge rate. The Equipment Cost is the Rent divided by the Lease Rate Factor. The lease charge portion of the Rent can be determined by applying to the Equipment Cost the rate which will amortize the Equipment Cost down to the Purchase Option amount by payment of the Rent. The lease charge rate can also be calculated using the Equipment Cost as the present value, the Purchase Option amount as the future value, the Rent as the payment, and the Schedule Term as the term. The lease charge rate may be higher than the actual annual interest rate because of the amortization of certain costs, expenses and fees incurred by us. We both intend to comply with all applicable laws. If it is determined that your payments under this Master Lease result in an interest payment higher than allowed by applicable law, then any excess interest collected will be applied to the repayment of principal and interest will be charged at the highest rate allowed by law. In no event will we charge or receive or will you pay any amounts in excess of the legal amount.
22. **SCHEMATICALLY.** The Master Lease and each Schedule constitute an entire agreement and supersede any conflicting provision of any equipment purchase order or any other agreement. TIME IS OF THE ESSENCE IN THIS LEASE. If a court finds any provision of this Master Lease to be unenforceable, the remaining terms of this Master Lease shall remain in effect. THIS LEASE IS A "FINANCE LEASE" AS DEFINED IN ARTICLE 2A OF THE UNIFORM COMMERCIAL CODE. You authorize us (or our agent) to (a) obtain credit reports, (b) make such other credit inquiries as we may deem necessary, and (c) furnish payment history information to credit reporting agencies. To the extent permitted by law, we may charge you a fee of \$50.00 per Schedule to cover our documentation and investigation costs.
23. **NOTICES.** All of your written notice to us must be sent by certified mail or recognized overnight delivery service, postage prepaid, to us at our address stated in this Master Lease, or by facsimile transmission to our facsimile telephone number, with oral confirmation of receipt. All of our notices to you may be sent first class mail, postage prepaid, to your address stated in this Master Lease. At any time after this Master Lease is signed, you or we may change our address or facsimile telephone number by giving notice to the other of the change.
24. **WAIVER. WE AND YOU EACH AGREE TO WAIVE AND TO TAKE ALL REQUIRED STEPS TO WAIVE ALL RIGHTS TO A JURY TRIAL.** To the extent you are permitted by applicable law, you waive all rights and remedies conferred upon a lessee by Article 2A (Sections 508-522) of the Uniform Commercial Code including but not limited to your rights to: (a) cancel or rescind this Master Lease; (b) reject or revoke acceptance of the Equipment; (c) recover damages from us for any breach of warranty or for any other reason; and (d) grant a security interest in any Equipment in your possession. To the extent you are permitted by applicable law, you waive any rights you now or later may have under any statute or otherwise which require us to sell or otherwise use any Equipment to reduce our damages, which require us to provide you with notice of default, intent to accelerate amounts becoming due or acceleration of amounts becoming due, or which may otherwise limit or modify any of our rights or remedies. ANY ACTION YOU TAKE AGAINST US FOR ANY DEFAULT, INCLUDING BREACH OF WARRANTY OR NONCOMPLIANCE, MUST BE STARTED WITHIN ONE (1) YEAR AFTER THE EVENT WHICH CAUSED IT.
25. **APPLICABLE LAWS / JURISDICTION.** The terms of this Master Lease shall be governed by and subject to the laws of the State of Illinois. All claims or other causes of action shall be subject to the jurisdiction of Illinois courts.

NOTICE: READ BEFORE SIGNING. THE TERMS OF THIS LEASE (INCLUDING THOSE ON THE PREVIOUS PAGE) SHOULD BE READ CAREFULLY BECAUSE ONLY THOSE TERMS IN WRITING ARE ENFORCEABLE. TERMS OR CONDITIONS WHICH ARE NOT CONTAINED IN THE WRITTEN AGREEMENT MAY NOT BE LEGALLY ENFORCED. YOU MAY CHANGE THE TERMS OF THIS LEASE ONLY BY ANOTHER WRITTEN AGREEMENT BETWEEN YOU AND US. YOU AGREE TO COMPLY WITH THE TERMS AND CONDITIONS OF THIS LEASE. YOU AGREE THAT THE EQUIPMENT WILL BE USED FOR BUSINESS PURPOSES ONLY AND NOT FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES.

YOU CERTIFY THAT ALL THE INFORMATION GIVEN IN THIS LEASE AND YOUR APPLICATION WAS CORRECT AND COMPLETE WHEN THIS LEASE WAS SIGNED. THIS LEASE IS NOT BINDING UPON OR ON BEHALF OF MINORS AND INFANTS. WE EXECUTE THIS LEASE. THIS LEASE WILL BE GOVERNED BY THE LAWS OF THE STATE OF ILLINOIS. YOU AGREE TO THE JURISDICTION AND VENUE OF FEDERAL AND STATE COURTS IN ILLINOIS COUNTY, ILLINOIS.

ACCEPTED BY:

LESSOR: MILLENNIUM LEASING & FINANCIAL SERVICES, INC.

BY: X

NAME & TITLE: Joyce Andrejack - Director of Lease Administration

DATE: 3/4/05

ENDORSED BY:

LESSOR: Zion Elementary School District 8

BY: X

NAME & TITLE (print): Ruth A. Davis, Board President

DATE: 2/28/05 FED TAX ID: 36-6204832

Schedule "A" attached to Municipal Lease - Equipment Description - Page 1 of 1

Lease No.: 10600-1  
Lessee: Zion Elementary School District 6  
Vendor: Net 56, Inc.  
Lessor: Millennium Leasing & Financial Services, Inc.


This Exhibit "A" is attached to and a part of the Municipal equipment lease agreement by and between the above leasing customer and Lessor relating to the lease transaction referenced above. The following is a full and complete description of the leased equipment:

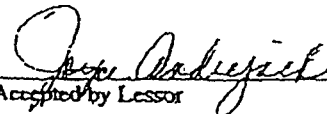
<u>Quantity</u>	<u>Equipment Type</u>	<u>Serial Number</u>
2	Xeon EM64T 3.6 GHz/800MHz 1MB L2, 2x512MB	
2	RS20 Xeon EM64T 3.6GHz/800MHz 1 MB L2, 2x512MB, O/Bay U320	
2	IBM Fiber Channel Expansion Card	
3	2Gbps FC 146.8 GB 10k Hot-Swap HDD	
2	VMWare Virtual Infrastructure Node	
2	8gig Memory upgrade	

The leasing customer agrees that a facsimile of this document or the signature shall be as valid and binding as the original and will be admissible in court as conclusive evidence of this document.

Zion Elementary School District 6

Millennium Leasing & Financial Services, Inc.

  
Signature of Leasing Customer Date  
Ruth A. Davis 2/28/05  
Board Pres.

  
Accepted by Lessor Date  
3/4/05

X

March 4, 2005

Mr. Frank Bonfiglio  
First Personal Bank  
14701 Ravinia Avenue  
Orland Park, IL 60462

Re: Zion Elementary School District 6 - Lease 10600

Dear Frank:

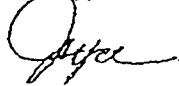
1. Please pay the initial \$859,950.74 to the following vendor:

Net 56, Inc.  
1266 W. Northwest Highway Suite 740  
Palatine, IL  
Attn: Bruce Koch  
Phone: 847-934-8100

Please wire the funds to his account - I will include an attachment for that.

2. Please set up an escrow account to pay Net 56, Inc. the remainder of the funds at \$143,325.00 annually beginning 3/1/06.
2. Please deposit proceeds into our acct: 0123000823. We will be applying a good share of the funds towards our line of credit.
3. We will bill and have payment remitted to FPB as of the 7/1/2005 invoice.
4. Tax treatment: Exempt

Sincerely,



Joyce Andrejack  
Director of Lease Administration

# iLien Coverpage

Date Printed: 3/4/2005

Debtor:  
Zion Elementary School District #6  
2200 Bethesda Blvd  
Zion, IL 60099

Lease Number: 10600  
Loan num: 10600  
iLien File #: 13670515  
UDS #: 6579112  
Order Confirmation #: 3789135

UserID: 82303  
Number of Collateral Pages Attached: 0

Transaction Type: Original  
Jurisdiction: IL, Secretary of State



# UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)	
Ilida Mazzocchi	630-810-4840
B. SEND ACKNOWLEDGMENT TO: (Name and Address)	
Millennium Leasing & Financial Serv 1901 Butterfield Road Suite 640 Downers Grove, IL 60515	
IL, Secretary of State	

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - Insert only one debtor name (1a or 1b) - do not abbreviate or combine names				
1a. ORGANIZATION'S NAME ZION ELEMENTARY SCHOOL DISTRICT #6				
OR				
1b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
1c. MAILING ADDRESS 2200 BETHESDA BLVD				
CITY ZION		STATE IL	POSTAL CODE 60099	COUNTRY US
1d. TAX ID # ESN OR EIN	ADDL INFO RE ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION NON-PROFIT CORPORATION	1f. ORGANIZATIONAL ID #, if any E9995-6691-05 <input type="checkbox"/> NONE	
2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - Insert only one debtor name (2a or 2b) - do not abbreviate or combine names				
2a. ORGANIZATION'S NAME				
OR				
2b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
2c. MAILING ADDRESS				
CITY		STATE	POSTAL CODE	COUNTRY
2d. TAX ID # ESN OR EIN	ADDL INFO RE ORGANIZATION DEBTOR	2e. TYPE OF ORGANIZATION	2f. ORGANIZATIONAL ID #, if any <input type="checkbox"/> NONE	
3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR (S)) - Insert only one secured party name (3a or 3b)				
3a. ORGANIZATION'S NAME FIRST PERSONAL BANK				
OR				
3b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
3c. MAILING ADDRESS 14701 RAVINIA AVENUE				
CITY ORLAND PARK		STATE IL	POSTAL CODE 60462	COUNTRY US

4. This FINANCING STATEMENT covers the following equipment:  
 2\*\*Xeon E5647 3.4 GHz/800MHz 2MB L2, 2x512MB  
 2\*\*E520 Xeon E5647 3.4GHz/800MHz 1 MB L2, 2x512MB, 0/Day U320  
 2\*\*IBM Fiber Channel Expansion Card  
 2\*\*200bps FC 146.8 GB 10k Rot-Swap HDD  
 2\*\*VMware Virtual Infrastructure Modem  
 2\*\*8gb Memory upgrade

5. ALTERNATIVE DESIGNATION (if applicable)	6. LESSEE/LESSOR	CONSIGNEE/CONSIGNOR	BALGEMBAIDR	RELEVER/BUYER	AC, UEM	NONUCC FILING
7. CHECK TO REQUEST SEARCH REPORT (if on UCC-1(A) or UCC-3(A))						
8. OPTIONAL FILER REFERENCE DATA 10600 10600						
13670515						

# UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)	
Ilda Mazzicis	630-810-4840
B. SEND ACKNOWLEDGMENT TO: (Name and Address)	
Millcomium Leasing & Financial Serv 1901 Butterfield Road Suite 640 Downers Grove, IL 60515	
L IL, Secretary of State	

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - Insert only per debtor name (1a or 1b) - do not abbreviate or combine names				
1a. ORGANIZATION'S NAME ZION ELEMENTARY SCHOOL DISTRICT #6				
OR	1b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
1c. MAILING ADDRESS 2200 BETHESDA BLVD		CITY ZION	STATE IL	POSTAL CODE 60099 COUNTRY US
1d. TAX ID# SSN OR EIN	1e. ADDL INFO RE ORGANIZATION DEBTOR	1f. TYPE OF ORGANIZATION NON-PROFIT CORPORATION	1g. JURISDICTION OF ORGANIZATION	1h. ORGANIZATIONAL ID # if any E9995-6691-05
2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - Insert only per debtor name (2a or 2b) - do not abbreviate or combine names				
2a. ORGANIZATION'S NAME				
OR	2b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
2c. MAILING ADDRESS		CITY	STATE	POSTAL CODE COUNTRY
2d. TAX ID# SSN OR EIN	2e. ADDL INFO RE ORGANIZATION DEBTOR	2f. TYPE OF ORGANIZATION	2g. JURISDICTION OF ORGANIZATION	2h. ORGANIZATIONAL ID # if any
3. SECURED PARTY'S NAME (if NAME of TOTAL ASSIGNOR of ASSIGNOR S/P) - Insert only per secured party name (3a or 3b)				
3a. ORGANIZATION'S NAME FIRST PERSONAL BANK				
OR	3b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
3c. MAILING ADDRESS 14701 RAVINIA AVENUE		CITY ORLAND PARK	STATE IL	POSTAL CODE 60462 COUNTRY US

4. THE FINANCING STATEMENT covers the following equipment:  
 2\*\*Xeon EPM4T 3.6 GHz/800MHz 1MB L2, 2x512MB  
 2\*\*R20 Xeon EM4T 3.6GHz/800MHz 1 MB L2, 2x512MB, 0/BAY U320  
 2\*\*IBM Fiber Channel Expansion Card  
 3\*\*200bps FC 166.8 GB 10k Rot-Swap HDD  
 2\*\*VMware Virtual Infrastructure Mode  
 2\*\*8gb Memory upgrade

5. ALTERNATIVE DESIGNATION (if applicable)	6. LESSEE/LESSOR	7. CONDUCE/CONCERNOR	8. DALE/DAILOA	9. SELLER/BUYER	10. AQL LIEN	11. NON-UCC FILING
12. THE FINANCING STATEMENT is a (1) (2) (3) (4) (5) (6) (7) (8) (9) (10) (11) (12) (13) (14) (15) (16) (17) (18) (19) (20) (21) (22) (23) (24) (25) (26) (27) (28) (29) (30) (31) (32) (33) (34) (35) (36) (37) (38) (39) (40) (41) (42) (43) (44) (45) (46) (47) (48) (49) (50) (51) (52) (53) (54) (55) (56) (57) (58) (59) (60) (61) (62) (63) (64) (65) (66) (67) (68) (69) (70) (71) (72) (73) (74) (75) (76) (77) (78) (79) (80) (81) (82) (83) (84) (85) (86) (87) (88) (89) (90) (91) (92) (93) (94) (95) (96) (97) (98) (99) (100) (101) (102) (103) (104) (105) (106) (107) (108) (109) (110) (111) (112) (113) (114) (115) (116) (117) (118) (119) (120) (121) (122) (123) (124) (125) (126) (127) (128) (129) (130) (131) (132) (133) (134) (135) (136) (137) (138) (139) (140) (141) (142) (143) (144) (145) (146) (147) (148) (149) (150) (151) (152) (153) (154) (155) (156) (157) (158) (159) (160) (161) (162) (163) (164) (165) (166) (167) (168) (169) (170) (171) (172) (173) (174) (175) (176) (177) (178) (179) (180) 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SCHEDULE NO. 10600-1 TO MASTER STATE AND LOCAL  
GOVERNMENT LEASE --PURCHASE AGREEMENT NO. 10600

MASTER LEASE NUMBER

10600

This Leasing Schedule No. 10600-1 ("Schedule") is entered into pursuant to that Master State And Local Government Lease-Purchase Agreement No. 10600 ("Master Lease"), and is effective as of March 1, 2005. The terms, conditions, representations, and warranties of the Master Lease are hereby incorporated herein by reference. Unless otherwise indicated, all capitalized terms, when used herein, which are defined in the Master Lease are intended to have the same meaning as when used therein.

EQUIPMENT LOCATION

1265 W. Northwest Highway, Suite 740			
CITY	COUNTY	STATE	ZIP CODE
Palatine	Cook	IL	60067

EQUIPMENT INFORMATION

Set attached Exhibit A
------------------------

YOUR LEASE PAYMENT SCHEDULE

NUMBER OF RENT PAYMENTS (IN ORDERS)	RENT (COMPOSED OF BOTH PRINCIPAL AND INTEREST)	LEASE TERM (IN MONTHS)	FREQUENCY OF RENT PAYMENTS
1-4	\$0.00	60	<input checked="" type="checkbox"/> MONTHLY
5-60	\$30,830.12		<input type="checkbox"/> OTHER (SPECIFY)
ADVANCE RENT	\$0.00	SPECIAL PAYMENT PROVISIONS	

LEASE RATE FACTOR	CONVENTION	TOTAL OF ALL RENT PAYMENTS	EQUIPMENT COST FINANCED	LEASE CHARGE RATE
Cost of credit to you		Amount you will have paid after you have made all rent payments	Amount of credit provided to you for equipment	Dollar amount the credit will cost you
<u>0.215</u>	\$ 0.00	\$ <u>1,765,987.72</u>	\$ <u>1,401,205.22</u>	\$ <u>263,782.50</u>

DELIVERY AND ACCEPTANCE CERTIFICATE

Lessee, through its authorized representative, hereby represents and certifies to Lessor that:

The Equipment listed above has been delivered to the location where it will be used, which is listed above. All of the Equipment has been inspected and is (a) complete, (b) properly installed, (c) functioning, and (d) in good working order. Lessee accepts the Equipment for all purposes under the Master Lease and this Schedule as of the date listed below (the "Acceptance Date"), which is the date on which the Equipment was delivered and fully installed.

Your first Rent payment (other than any Advance Rent) is due 120 after the Start Date of 3/1/2005.

The Equipment is of a size, design, capacity and manufacture acceptable to Lessee and suitable for Lessee's purposes; and Lessee is not in default under the Master Lease, no Non-Appropriation of Funds (as described in the Lease) has occurred, and all of Lessee's statements and provisions set forth in the Lease are true and correct.

This Acceptance Certificate is executed as of and the Equipment is accepted as of 2/28/05 (Acceptance Date).

LESSOR: Don Elementary School District 8:  
BY: X Ruth A. Davis  
NAME & TITLE (printed): Ruth A. Davis  
Board Pres.

IMPORTANT: READ BEFORE SIGNING. THE TERMS OF THIS SCHEDULE SHOULD BE READ CAREFULLY BECAUSE ONLY THOSE TERMS IN WRITING ARE ENFORCEABLE. TERMS OR ORAL PROMISES WHICH ARE NOT CONTAINED IN THIS WRITTEN AGREEMENT MAY NOT BE LEGALLY ENFORCED. YOU MAY CHANGE THE TERMS OF THIS SCHEDULE ONLY BY ANOTHER WRITTEN AGREEMENT BETWEEN YOU AND US. YOU AGREE TO COMPLY WITH THE TERMS AND CONDITIONS OF THIS SCHEDULE. YOU AGREE THAT THE EQUIPMENT WILL BE USED FOR BUSINESS PURPOSES ONLY AND NOT FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES.

YOU CERTIFY THAT ALL THE INFORMATION GIVEN IN THIS SCHEDULE WAS CORRECT AND COMPLETE WHEN THE SCHEDULE WAS SIGNED. THIS SCHEDULE IS NOT BINDING UPON US OR EFFECTIVE UNLESS AND UNTIL WE EXECUTE THIS SCHEDULE. THIS SCHEDULE AND THE MASTER LEASE WILL BE GOVERNED BY THE LAWS OF THE STATE OF Illinois. YOU AGREE TO THE JURISDICTION AND VENUE OF FEDERAL AND STATE COURTS IN ILLINOIS COUNTY, COOK.

ACCEPTED BY:  
LESSOR: MILENBIUM LEASING & FINANCIAL SERVICES, INC.  
BY: X Joyce Adkins  
NAME & TITLE (printed): Joyce Adkins Director  
DATE: 3/4/05

PROPOSED BY:  
LESSEE: Don Elementary School District 8  
BY: X Ruth A. Davis  
NAME & TITLE (printed): Ruth A. Davis  
DATE: 2/28/05 FED TAX ID: 36-6004832



# MASTER STATE AND LOCAL GOVERNMENT LEASE – PURCHASE AGREEMENT

MASTER LEASE NUMBER

10600

## LESSEE INFORMATION

LESSEE FULL LEGAL NAME <b>Zion Elementary School District 6</b>			
TRADE NAME D/B/A (IF ANY)			
FEDERAL TAX ID <b>36-6004832</b>		CONTACT PERSON & TITLE <b>Donald Robinson / Assistant Superintendent</b>	
PRIMARY ADDRESS (NUMBER AND STREET) <b>2200 Bethesda Boulevard</b>			
CITY <b>Zion</b>	COUNTY <b>Lake</b>	STATE <b>IL</b>	ZIP CODE <b>60099</b>
TELEPHONE NUMBER <b>847-366-2891</b>		FACSIMILE NUMBER <b>847-746-4173</b>	

**MILLENNIUM LEASING &  
FINANCIAL SERVICES, INC.**  
1901 Butterfield Road; Suite 640  
Downers Grove, IL 60515  
Ph: 630-810-4840

## TERMS AND CONDITIONS

- MASTER LEASE; LEASING SCHEDULES.** Subject to the terms of this Master Lease, you agree to lease from us the Equipment described in any Schedule now or hereafter attached hereto and made a part hereof ("Schedule"). You agree to be bound by all the terms of this Master Lease. We and you may enter into any number of separate and distinct leasing Schedules, each of which shall constitute a separate lease for Equipment, but all of which shall incorporate and be subject to the terms, conditions and provisions of this Master Lease. The term "Master Lease" shall include each and every Schedule entered hereunder from time to time.
- DELIVERY AND ACCEPTANCE OF EQUIPMENT.** Acceptance of the Equipment occurs upon delivery, inspection and approval by Lessee, such approval not to be unreasonably withheld or delayed. When you receive the Equipment, you agree to inspect it and to verify by telephone or in writing such information as we may require. Delivery and installation costs are your responsibility. If you signed a purchase contract for the Equipment, by signing the applicable Schedule, you assign your rights, but none of your obligations under the purchase contract, to us.
- RENT.** You agree to pay us Rent (plus applicable taxes) in the amount and frequency stated in each Schedule. If your Rent payments are due in Advance, your first Rent payment is due on the date you accept the Equipment under the Schedule. We will advise you as to (a) the due date of each Rent payment, and (b) the address to which you must send your payments. Rent is due whether or not you receive an invoice from us. You will pay us any required Advance Rent or Security Deposit when you sign the Schedule. Security Deposits or Advance Rents may be commingled and do not earn interest. Provided you are not in default, we may apply your Security Deposit to the last Rent payment or we may refund the Security Deposit to you when the Schedule Term expires. If we collect more than one payment as Advance Rent, we may apply such Advance Rent to the last Rent payment. Restrictive endorsements on checks you send to us will not reduce your obligations to us. Unless a proper exemption certificate is provided, applicable sales and use taxes will be added to the Rent.  
**NON-APPROPRIATION OF FUNDS.** You intend to remit all Rent and other payments to us for the full Schedule Term if funds are legally available. In the event you are not granted an appropriation of funds at any time during the Schedule Term for the Equipment or for equipment which is functionally similar to the Equipment and operating funds are not otherwise available to you to pay the Rent and other payments due and to become due under this Master Lease, and there is no other legal procedure or available funds by or with which payment can be made to us, and the non-appropriation did not result from an act or omission by you, you shall have the right to return the Equipment under each Schedule in accordance with Section 18 of this Master Lease and terminate this Master Lease on the last day of the fiscal period for which appropriations were received without penalty or expense to you, except as to the portion of Rent for which funds shall have been appropriated and budgeted. At least thirty (30) days prior to the end of your fiscal year, your chief executive officer (or legal counsel) shall certify in writing that (a) funds have not been appropriated for the upcoming fiscal period, (b) such non-appropriation did not result from any act or failure to act by you, and (c) you have exhausted all funds legally available for the payment of Rent. If you terminate this Master Lease because of non-appropriation of funds, you may not purchase, lease or rent, equipment performing functions similar to those performed by the Equipment for a period of twelve (12) months as measured from the effective date of such termination. This Section 3 shall not permit you to terminate this Master Lease in order to acquire any other Equipment or to allocate funds directly or indirectly to perform essentially the application for which the Equipment is intended.
- UNCONDITIONAL OBLIGATION.** YOU AGREE THAT, SUBJECT TO AN NON-APPROPRIATION OF FUNDS EVENT, YOU ARE UNCONDITIONALLY OBLIGATED TO PAY ALL RENT AND ANY OTHER AMOUNTS DUE UNDER EACH SCHEDULE FOR THE FULL SCHEDULE TERM EVEN IF THE EQUIPMENT IS DAMAGED OR DESTROYED, IF IT IS DEFECTIVE OR IF YOU HAVE TEMPORARY OR PERMANENT LOSS OF ITS USE. YOU ARE NOT ENTITLED TO REDUCE OR SET-OFF AGAINST RENT OR OTHER AMOUNTS DUE UNDER THE SCHEDULE FOR ANY REASON WHATSOEVER.
- DISCLAIMER OF WARRANTIES.** THE EQUIPMENT IS BEING LEASED TO YOU IN AS-IS CONDITION. ANY CHANGE TO THIS MASTER LEASE MUST BE MUTUALLY AGREED TO IN WRITING. YOU AGREE THAT WE HAVE NOT MANUFACTURED THE EQUIPMENT AND THAT YOU HAVE SELECTED THE EQUIPMENT BASED UPON YOUR OWN JUDGMENT. YOU HAVE NOT RELIED ON ANY STATEMENTS WE OR OUR EMPLOYEES HAVE MADE. WE HAVE NOT MADE AND DO NOT MAKE ANY EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES WHATSOEVER, INCLUDING WITHOUT LIMITATION, THE EQUIPMENT'S MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, SUITABILITY, DESIGN, CONDITION, DURABILITY, OPERATION, QUALITY OF MATERIALS OR WORKMANSHIP, OR COMPLIANCE WITH SPECIFICATIONS OR APPLICABLE LAW. You are aware of the name of the Equipment manufacturer and you will contact the manufacturer for a description of your warranty rights. If the manufacturer has provided us with a warranty, we assign our rights to such warranty to you and you may enforce all warranty rights directly against the manufacturer of the Equipment. You agree to settle any dispute you may have regarding performance of the Equipment directly with the manufacturer of the Equipment.
- TITLE AND SECURITY INTEREST.** Unless otherwise required by the laws of the state where you are located, you shall have title to the Equipment immediately upon delivery and shall be deemed to be the owner of the Equipment as long as you are not in default under this Master Lease. In the event of a default under this Master Lease, title to the Equipment under each Schedule shall revert to us free and clear of any rights or interests you may have in the Equipment. To secure all of your obligations to us under this Master Lease you hereby grant us a security interest in (a) the Equipment to the extent of your interests in the Equipment, (b) anything attached or added to the Equipment at any time, (c) any money or property from the sale of the Equipment, and (d) any money from an insurance claim if the Equipment is lost or damaged. You agree that the security interest will not be affected if this Master Lease is changed in any way. You hereby appoint us (or our agent) as your true and lawful attorney-in-fact, for the exclusive limited purpose, to affix your signature to UCC financing statements prepared and filed on your behalf by us (or our agent) with the same force and effects as if you had signed such financing statements. If we request, you agree to sign financing statements in order for us to publicly record our security interest. This Master Lease or a copy of this Master Lease shall be sufficient as a financing statement and may be filed as such.
- USE, MAINTENANCE AND REPAIR.** You will not move the Equipment from the Equipment Location without our advance written consent. You will give us reasonable access to the each Equipment Location so that we can check the Equipment's existence, condition and proper maintenance. You will use the Equipment in the manner for which it was intended, as required by all applicable manuals and instructions and keep it eligible for any manufacturer's certification and/or standard, full service maintenance contract. At your own cost and expense, you will keep the Equipment in good repair, condition and working order, ordinary wear and tear excepted. Provided (a) you do not terminate any Schedule because of a non-appropriation pursuant to Section 3, (b) you are not in default, and (c) you exercise your purchase option pursuant to Section 15, all replacement parts and repairs will become our property. You will not make any permanent alterations to the Equipment.
- TAXES.** You agree that you will pay us, when invoiced, all taxes (if applicable (given verification that Lessee is a Tax-Exempt Entity): including any sales, use and personal property taxes), fines, interest and penalties relating to this Master Lease and the Equipment (excluding taxes based on our net income). You agree to file any required personal property tax returns and, if we ask, you will provide us with proof of payment. We do not have to contest any tax assessments.
- INDEMNITY.** We are not responsible for any injuries, damages, penalties, claims or losses, including legal expenses, incurred by you or any other person caused by the transportation, installation, manufacture, selection, purchase, lease, ownership, possession, modification, maintenance, condition, operation, use return or disposition of the Equipment. To extent permitted by law, you agree to reimburse us for and defend us against any claims for such losses, damages, penalties, claims, injuries, or expenses. This indemnity continues one (1) year after this Master Lease and each Schedule has expired for acts or omissions which occurred during the Schedule Term.
- IDENTIFICATION.** You authorize us to insert or correct missing information on this Master Lease and each Schedule, including your official name, serial numbers and any other information describing the Equipment. We will send you copies of such changes. You will attach to the Equipment any name plates or stickers we provide you.
- LOSS OR DAMAGE.** You are responsible for any loss of the Equipment from any cause at all, whether or not insured, from the time the Equipment is received by you until it is returned to us. If any item of Equipment is lost, stolen or damaged, you will promptly notify us of such event. Then, at our option, you will either (a) repair the Equipment so that it is in good condition and working order, eligible for any manufacturer's certification, or (b) pay us an amount equal to the Net Book Value (as defined in Section 14) of the lost, stolen or damaged Equipment. If you have satisfied your obligations under this Section 11, we will forward to you any insurance proceeds which we receive for lost, damaged, or destroyed Equipment. If you are in default, we will apply any insurance proceeds we receive to reduce your obligations under Section 14 of this Master Lease.
- INSURANCE.** You agree to (a) keep the Equipment fully insured against loss, naming us as loss payee, and (b) obtain a general public liability insurance policy covering both personal injury and property damage in amounts not less than we may tell you, naming us as additional insured, until you have met all your obligations under this Master Lease. We are under no duty to tell you if your insurance coverage is adequate. The policies shall state that we are to be notified of any proposed cancellation at least 15 days prior to the date set for cancellation. Upon our request, you agree to provide us with certificates or other evidence of insurance acceptable to us. If you do not provide us with evidence of proper insurance within 10 days of our request or we receive notice of policy cancellation, we may (but we are not obligated to) obtain insurance on our interest in the Equipment at your expense. You will pay all insurance premiums and related charges.
- DEFAULT.** You will be in default under this Master Lease if any of the following happens: (a) we do not receive any Rent or other payment due under this Master Lease within 10 days after its due date, or (b) you fail to perform or observe any other promise or obligation in this Master Lease and do not correct the default within 10 days after we send you written notice of

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- default, or (c) any representation, warranty or statement you have made in this Master Lease shall prove to have been false or misleading in any material respect, or (d) any insurance carrier cancels or threatens to cancel any insurance on the Equipment, or (e) the Equipment or any part of it is abused, illegally used, misused, lost, destroyed, or damaged beyond repair, or (f) a petition is filed by or against you under any bankruptcy or insolvency laws, or (g) you default on any other agreement between you and us (or our affiliates).
14. **REMEDIES.** Upon the occurrence of a default, we may, in our sole discretion, do any or all of the following, provided we submit a prior ten (10) day written notice to you of said default: (a) provide written notice to you of default; (b) as liquidated damages for loss of a bargain and not as a penalty, declare due and payable, the present value of (i) any and all amounts which may be then due and payable by you to us under this Master Lease, plus (ii) all Rent payments under each Schedule remaining through the end of the Schedule Term, discounted at 4% (collectively, the "Net Book Value"). We have the right to require you to make all the Equipment under this Master Lease available to us for repossession during reasonable business hours or we may repossess the Equipment, so long as we do not breach the peace in doing so, or we may use legal process in compliance with applicable law pursuant to court order to have the Equipment repossessed. You will not make any claims against us or the Equipment for trespass, damage or any other reason. If we take possession of the Equipment we may (a) sell or lease the Equipment at public or private sale or lease, and/or (b) exercise such other rights as may be allowed by applicable law. Although you agree that we have no obligation to sell the Equipment, if we do sell the Equipment, we will reduce the Net Book Value by the amounts we receive. You will immediately pay us the remaining Net Book Value. If we receive more than the Net Book Value plus our costs of sale, we will give you the excess. You agree (a) that we only need to give you 10 days advance notice of any sale and no notice of advertising, (b) to pay all of the costs we incur to enforce our rights against you, including attorney's fees, and (c) that we will retain all of our rights against you even if we do not choose to enforce them at the time of your default.
  15. **YOUR OPTION AT END OF SCHEDULE TERM.** Provided you are not in default, upon expiration of the Schedule Term you have the option to purchase all but not less than all of the Equipment for \$1.00 (plus all sales and other applicable taxes).
  16. **RETURN OF EQUIPMENT.** If (a) default occurs, or (b) a non-appropriation of funds occurs in accordance with Section 3, you will immediately return all the Equipment under each Schedule to any location(s) and aboard any carrier(s) we may designate in the continental United States. The Equipment must be properly packed for shipment in accordance with the manufacturer's recommendations or specifications, freight prepaid and insured, maintained in accordance with Section 7, and in "Average Saleable Condition." "Average Saleable Condition" means that all of the Equipment is immediately available for use by a third party buyer, user or lessee, other than yourself, without the need for any repair or refurbishment. All Equipment must be free of markings. You will pay us for any missing or defective parts or accessories. You will continue to pay Rent until the Equipment is received and accepted by us.
  17. **YOUR REPRESENTATIONS AND WARRANTIES.** You hereby represent and warrant to us that as of the date of this Master Lease, and throughout each Schedule Term: (a) you are the entity indicated in this Master Lease; (b) you are a State or a fully constituted political subdivision or agency of the State in which you are located; (c) you are duly organized and existing under the Constitution and laws of the State in which you are located; (d) you authorized to enter into and carry out your obligations under this Master Lease, each Schedule, any documents relative to the acquisition of the Equipment and any other documents required to be delivered in connection with this Master Lease (collectively, the "Documents"); (e) the Documents have been duly authorized, executed and delivered by you in accordance with all applicable laws, rules, ordinances, and regulations. The Documents are valid, legal, binding agreements, enforceable in accordance with their terms. The person(s) signing the Documents have the authority to do so, are acting with the full authorization of your governing body, and hold the offices indicated below their signatures, each of which are genuine; (f) the Equipment is essential to the immediate performance of a governmental or proprietary function by you within the scope of your authority and shall be used during the Schedule Term only by you and only to perform such function; (g) you intend to use the Equipment for the entire Schedule Term and shall take all necessary action to include in your annual budget any funds required to fulfill your obligations for each fiscal year during the Schedule Term; (h) you have complied fully with all applicable law governing open meetings, public bidding and appropriations required in connection with this Master Lease and the acquisition of the Equipment; (i) your obligations to remit Rent under this Master Lease constitutes a current expense and not a debt under applicable state law. No provision of this Master Lease constitutes a pledge of your tax or general revenues, and any provision which is so construed by a court of competent jurisdiction is void from the inception of this Master Lease; (j) all payments due and to become due during your current fiscal year are within the fiscal budget of such year, and are included within an unrestricted and unencumbered appropriation currently available for the lease/purchase of the Equipment; (k) you shall not do or cause to be done any act which shall cause, or by omission of any act allow, the interest portion of any Rent payment to become includible in our gross income for Federal income taxation purposes under the Internal Revenue Code of 1986, as amended, (the "Code"); (l) you shall maintain a complete and accurate record of all assignments of each Schedule in the form sufficient to comply with the book entry requirements of Section 149(a) of the Code and the regulations prescribed thereunder from time to time; (m) you shall comply with the information reporting requirements of Section 149(e) of the Code. Such compliance shall include, but not be limited to, the execution of 8038-G or 8038-GC Information Returns; and (n) all financial information you have provided to us is true and accurate and provides a good representation of your financial condition.
  18. **YOUR PROMISES.** In addition to the other provisions of this Master Lease, you agree that during the term of this Master Lease (a) you will promptly notify us in writing if you move your principal office or you change your name or legal structure, (b) you will provide to us such financial information as we may reasonably request from time to time, and (c) you will take any action we reasonably request to protect our rights in the Equipment and to meet your obligations under this Master Lease.
  19. **ASSIGNMENT. YOU WILL NOT SELL, TRANSFER, ASSIGN, PLEDGE, SUB-LEASE OR PART WITH POSSESSION OF THE EQUIPMENT, OR FILE OR PERMIT A LIEN TO BE FILED AGAINST THE EQUIPMENT.** You will not attach any of the Equipment to any real estate. Upon our reasonable request and at your cost, you will obtain from each person having an interest in the real estate where the Equipment is located a waiver of any rights they may have in the Equipment. You understand and agree that we shall have the right to assign this Master Lease without your prior consent. You agree to reflect any such transfer in your book entry system, in accordance with Section 149(a) of the Code. Upon notice and instruction from us, you agree to remit to any such assignee, at the address provided by us from time to time, all Rent payments and other amounts due and to become due under this Master Lease. You agree that any such assignee shall have the same rights and benefits that we have. You agree that any such assignee's rights under this Master Lease shall not be subject to any claims, defenses or set-offs that you may have against us.
  20. **COLLECTION EXPENSES, OVERDUE PAYMENT, TERMINATION.** You agree that we can, but do not have to, take on your behalf any action which you fail to take as required by this Master Lease, and our expenses will be in addition to the Rent which you owe us. We may charge you a late charge to cover our collection costs on each Schedule equal to the higher of 10% of any late payment or \$22, but not more than the highest legal rate. To the extent allowed by law, each late payment or non-payment of any past due amount will accrue interest at the lower of 18% per annum or the highest legal rate from the due date until paid. If you so request and we permit the early termination of any Schedule (for reasons other than a non-appropriation pursuant to Section 3), you agree to pay a fee for such privilege.
  21. **AGREED LEASE RATE FACTOR.** You understand that the Equipment may be purchased for cash (the "Equipment Cost") or it may be leased. By signing this Master Lease and each Schedule, you acknowledge that you have chosen to lease the Equipment from us for the Schedule Term and that you have agreed to pay Rent. Each payment of Rent includes a principal amount based on the Equipment Cost and a lease charge rate. The Equipment Cost is the Rent divided by the Lease Rate Factor. The lease charge portion of the Rent can be determined by applying to the Equipment Cost the rate which will amortize the Equipment Cost down to the Purchase Option amount by payment of the Rent. The lease charge rate can also be calculated using the Equipment Cost as the present value, the Purchase Option amount as the future value, the Rent as the payment and the Schedule Term as the term. The lease charge rate may be higher than the actual annual interest rate because of the amortization of certain costs, expenses and fees incurred by us. We both intend to comply with all applicable laws. If it is determined that your payments under this Master Lease result in an interest payment higher than allowed by applicable law, then any excess interest collected will be applied to the repayment of principal and interest will be charged at the highest rate allowed by law. In no event will we charge or receive or will you pay any amounts in excess of the legal amount.
  22. **MISCELLANEOUS.** This Master Lease and each Schedule contains our entire agreement and supersedes any conflicting provision of any equipment purchase order or any other agreement. TIME IS OF THE ESSENCE IN THIS LEASE. If a court finds any provision of this Master Lease to be unenforceable, the remaining terms of this Master Lease shall remain in effect. THIS LEASE IS A "FINANCE LEASE" AS DEFINED IN ARTICLE 2A OF THE UNIFORM COMMERCIAL CODE. You authorize us (or our agent) to (a) obtain credit reports, (b) make such other credit inquiries as we may deem necessary, and (c) furnish payment history information to credit reporting agencies. To the extent permitted by law, we may charge you a fee of \$50.00 per Schedule to cover our documentation and investigation costs.
  23. **NOTICES.** All of your written notices to us must be sent by certified mail or recognized overnight delivery service, postage prepaid, to us at our address stated in this Master Lease, or by facsimile transmission to our facsimile telephone number, with oral confirmation of receipt. All of our notices to you may be sent first class mail, postage prepaid, to your address stated in this Master Lease. At any time after this Master Lease is signed, you or we may change an address or facsimile telephone number by giving notice to the other of the change.
  24. **WAIVERS. WE AND YOU EACH AGREE TO WAIVE AND TO TAKE ALL REQUIRED STEPS TO WAIVE ALL RIGHTS TO A JURY TRIAL.** To the extent you are permitted by applicable law, you waive all rights and remedies conferred upon a lessee by Article 2A (Sections 508-522) of the Uniform Commercial Code including but not limited to your rights to: (a) cancel or repudiate this Master Lease; (b) reject or revoke acceptance of the Equipment; (c) recover damages from us for any breach of warranty or for any other reason; and (d) grant a security interest in any Equipment in your possession. To the extent you are permitted by applicable law, you waive any rights you now or later may have under any statute or otherwise which require us to sell or otherwise use any Equipment to reduce our damages, which require us to provide you with notice of default, intent to accelerate amounts becoming due or acceleration of amounts becoming due, or which may otherwise limit or modify any of our rights or remedies. ANY ACTION YOU TAKE AGAINST US FOR ANY DEFAULT, INCLUDING BREACH OF WARRANTY OR INDEMNITY, MUST BE STARTED WITHIN ONE (1) YEAR AFTER THE EVENT WHICH CAUSED IT.
  25. **APPLICABLE LAWS / JURISDICTION.** The terms of this Master Lease shall be governed in accordance with and subject to the laws of the State of Illinois. All claims or other causes of action shall be subject to the jurisdiction of Illinois courts.

**IMPORTANT: READ BEFORE SIGNING.** THE TERMS OF THIS LEASE (INCLUDING THOSE ON THE PREVIOUS PAGE) SHOULD BE READ CAREFULLY BECAUSE ONLY THOSE TERMS IN WRITING ARE ENFORCEABLE. TERMS OR ORAL PROMISES WHICH ARE NOT CONTAINED IN THIS WRITTEN AGREEMENT MAY NOT BE LEGALLY ENFORCED. YOU MAY CHANGE THE TERMS OF THIS LEASE ONLY BY ANOTHER WRITTEN AGREEMENT BETWEEN YOU AND US. YOU AGREE TO COMPLY WITH THE TERMS AND CONDITIONS OF THIS LEASE. YOU AGREE THAT THE EQUIPMENT WILL BE USED FOR BUSINESS PURPOSES ONLY AND NOT FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES.

YOU CERTIFY THAT ALL THE INFORMATION GIVEN IN THIS LEASE AND YOUR APPLICATION WAS CORRECT AND COMPLETE WHEN THIS LEASE WAS SIGNED. THIS LEASE IS NOT BINDING UPON US OR EFFECTIVE UNLESS AND UNTIL WE EXECUTE THIS LEASE. THIS LEASE WILL BE GOVERNED BY THE LAWS OF THE STATE OF ILLINOIS. YOU AGREE TO THE JURISDICTION AND VENUE OF FEDERAL AND STATE COURTS IN ILLINOIS COUNTY, COOK.

ACCEPTED BY:

LESSOR: MILLENNIUM LEASING & FINANCIAL SERVICES, INC.

BY: X \_\_\_\_\_

NAME & TITLE (printed): \_\_\_\_\_

DATE: \_\_\_\_\_

PROPOSED BY:

LESSEE: Zion Elementary School District 6

BY: X \_\_\_\_\_

NAME & TITLE (printed): \_\_\_\_\_

DATE: 2/28/05 FED TAX ID# 36-6004832

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**SCHEDULE NO. 10600-1 TO MASTER STATE AND LOCAL  
GOVERNMENT LEASE - PURCHASE AGREEMENT NO. 10600**

MASTER LEASE NUMBER

10600

This Leasing Schedule No. 10600-1 ("Schedule") is entered into pursuant to that Master State And Local Government Lease-Purchase Agreement No. 10600 ("Master Lease"), and is effective as of March 1, 2005. The terms, conditions, representations, and warranties of the Master Lease are hereby incorporated herein by reference. Unless otherwise indicated, all capitalized terms, when used herein, which are defined in the Master Lease are intended to have the same meaning as when used therein.

**EQUIPMENT LOCATION**

EQUIPMENT LOCATION (NUMBER AND STREET)

1266 W. Northwest Highway, Suite 740

CITY Palatine COUNTY Cook STATE IL ZIP CODE 60067

**EQUIPMENT INFORMATION**

QTY ORDER NO EQUIPMENT DESCRIPTION (incl. Serial Number, Make, Model, Year, etc.)

See attached Exhibit A

**YOUR LEASE PAYMENT SCHEDULE**

RENT (COMPOSED OF BOTH PRINCIPAL AND INTEREST)		LEASE TERM (IN MONTHS):	FREQUENCY OF RENT PAYMENTS	
NUMBER OF RENT PAYMENTS (IN ORDER)			<input type="checkbox"/> MONTHLY	<input type="checkbox"/> OTHER (SPECIFY)
1-4	\$0.00			
5-60	\$30,830.12	60		
ADVANCE RENT \$0.00		SPECIAL PAYMENT PROVISIONS		

LEASE RATE FACTOR	DOCUMENTATION FEE	TOTAL OF ALL RENT PAYMENTS	EQUIPMENT COST FINANCED	LEASE CHARGE RATE
Cost of credit to you .0215	\$ 0.00	Amount you will have paid after you have made all rent payments \$ 1,728,486.72	Amount of credit provided to you for equipment \$ 1,433,251.23	Dollar amount the credit will cost you \$ 283,235.49

**DELIVERY AND ACCEPTANCE CERTIFICATE**

Lessee, through its authorized representative, hereby represents and certifies to Lessor that:

The Equipment listed above has been delivered to the location where it will be used, which is listed above;  
All of the Equipment has been inspected and is (a) complete, (b) properly installed, (c) functioning, and (d) in good working order;  
Lessee accepts the Equipment for all purposes under the Master Lease and this Schedule as of the date listed below (the "Acceptance Date"), which is the date on which the Equipment was delivered and fully installed;  
Your first Rent payment (other than any Advance Rent) is due 120 after the Start Date of 3/1/2005;  
The Equipment is of a size, design, capacity and manufacture acceptable to Lessee and suitable for Lessee's purposes; and  
Lessee is not in default under the Master Lease, no Non-Appropriation of Funds (as described in the Lease) has occurred, and all of Lessee's statements and promises set forth in the Lease are true and correct.

This Acceptance Certificate is executed as of and the Equipment is accepted as of 2/28, 2005 ("Acceptance Date")

LESSEE: Zion Elementary School District 6

BY: X Ruth A. Davis

NAME & TITLE (printed): Ruth A. Davis

**IMPORTANT: READ BEFORE SIGNING. THE TERMS OF THIS SCHEDULE SHOULD BE READ CAREFULLY BECAUSE ONLY THOSE TERMS IN WRITING ARE ENFORCEABLE. TERMS OR ORAL PROMISES WHICH ARE NOT CONTAINED IN THIS WRITTEN AGREEMENT MAY NOT BE LEGALLY ENFORCED. YOU MAY CHANGE THE TERMS OF THIS SCHEDULE ONLY BY ANOTHER WRITTEN AGREEMENT BETWEEN YOU AND US. YOU AGREE TO COMPLY WITH THE TERMS AND CONDITIONS OF THIS SCHEDULE. YOU AGREE THAT THE EQUIPMENT WILL BE USED FOR BUSINESS PURPOSES ONLY AND NOT FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES.**

YOU CERTIFY THAT ALL THE INFORMATION GIVEN IN THIS SCHEDULE WAS CORRECT AND COMPLETE WHEN THIS SCHEDULE WAS SIGNED. THIS SCHEDULE IS NOT BINDING UPON US OR EFFECTIVE UNLESS AND UNTIL WE EXECUTE THIS SCHEDULE. THIS SCHEDULE AND THE MASTER LEASE WILL BE GOVERNED BY THE LAWS OF THE STATE OF Illinois. YOU AGREE TO THE JURISDICTION AND VENUE OF FEDERAL AND STATE COURTS IN ILLINOIS COUNTY, COOK.

ACCEPTED BY:

LESSOR: MILLENNIUM LEASING & FINANCIAL SERVICES, INC.

BY: X \_\_\_\_\_

NAME & TITLE (printed): \_\_\_\_\_

DATE:

PROPOSED BY:

LESSEE: Zion Elementary School District 6

BY: X Ruth A. Davis

NAME & TITLE (printed): Ruth A. Davis

DATE: 2/28/05 FED TAX ID#: 36-6004832

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**ESSENTIAL USE/SOURCE OF FUNDS LETTER**

RE: Leasing Schedule Number 10600-1, to Master Lease Purchase Agreement Number 10600, dated March 1, 2005 (collectively, hereinafter the "Lease") by and between MILLENNIUM LEASING & FINANCIAL SERVICES, INC. ("Lessor") and Zion Elementary School District 6 ("Lessee")

Ladies and Gentlemen:

This confirms and affirms that the Equipment described in the Lease is essential to the function of the undersigned or to the service we provide to our citizens.

Further, we have an immediate need for, and expect to make immediate use of, substantially all such Equipment, which need is not temporary or expected to diminish in the foreseeable future. Such Equipment will be used by us only for the purpose of performing one or more of our governmental or proprietary functions consistent with the permissible scope of our authority. Specifically, such Equipment was selected by us to be used as follows: technology infrastructure & support necessary for our school district's operations.

The estimated useful life of such Equipment based upon manufacturer's representations and our projected needs is 5 years.

Our source of funds for payments of the rent due under the Lease for the current fiscal year is revenue and cash reserves.

We expect and anticipate adequate funds to be available for all future payments of rent due after the current fiscal year for the following reasons: continued revenue and cash reserves, including state & federal aid and local property taxes.

LESSEE: Zion Elementary School District 6

By: X Ruth A. Davis  
(Authorized Signature)

Ruth A. Davis, Board Pres.  
(Name and Title - printed or typed)

Date: 2/28/05



**CERTIFICATE OF CLERK OR SECRETARY**

I, the undersigned, do certify that:

The person(s) who executed the Master State and Local Government Lease – Purchase Agreement No. 10600, dated 2/28/05, and all other Documents related thereto, inclusive of Leasing Schedule No. 10600-1 (collectively the "Lease"), by and between Millennium Leasing & Financial Services, Inc. ("Lessor") and Zion Elementary School District 6 ("Lessee"), on behalf of Lessee and whose genuine signature(s) appear thereon, is/are duly qualified and acting officer(s) of the Lessee as stated beneath his and/or her signature(s) and has been authorized to execute the Lease.

(Seal)

*No seal  
available*

By: X

*Brenda S. Landers*

(SIGNATURE OF BOARD CLERK/SECRETARY)

(IF AUTHORIZED SIGNER OF DOCUMENTS IS SECRETARY OR CLERK, PLEASE HAVE THIS SECTION EXECUTED BY A DIFFERENT BOARD MEMBER)

*Brenda S. Landers, Board Secy.*

(NAME & TITLE – Printed or Typed)

Date:

*2/28/05*